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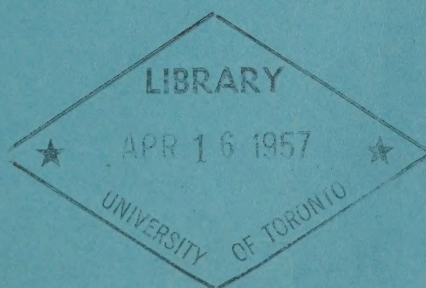
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# *Annual report*

**DEPARTMENT OF  
TRADE AND COMMERCE**



**1956**





Canada. Dept. of Trade and Commerce



CANADA

# Sixty-Fifth ANNUAL REPORT

Department  
of  
Trade and Commerce  
1956

Right Hon. C. D. Howe, Minister  
Wm. Frederick Bull, Deputy Minister

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OTTAWA, March 1, 1957

To His Excellency the Right Honourable Vincent Massey, C.H.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Sixty-fifth Annual Report of the Department of Trade and Commerce, covering the calendar year 1956.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

C. D. HOWE

*Minister of Trade and Commerce.*



OTTAWA, March 1, 1957

The Right Honourable C. D. Howe, P.C.,  
Minister of Trade and Commerce,  
Ottawa, Ontario.

Sir:

I have the honour to submit the Sixty-fifth Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1956.

Your obedient servant,

WM. FREDERICK BULL,

*Deputy Minister.*





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## **Economic Review**

**E**CONOMIC conditions throughout the Western trading world remained generally prosperous during 1956. Curtailment of inflationary tendencies occupied prominent attention in the larger industrial nations. National production levels in North America and in most Western European countries continued to increase but at a slower rate than in the preceding year. On the other hand, the movement of goods in international trade maintained a strong rate of growth. Exports in both the United States and United Kingdom increased considerably more than domestic sales. Underdeveloped countries relying primarily on tropical food and raw material exports benefited by the firming in prices of a number of these commodities.

A net outflow of funds from the United States for foreign aid and investment purposes was reflected in the further accumulation of hard currency reserves by other countries of the free world. Toward the end of the year, however, the Suez crisis, apart from its political implications, posed serious economic and financial problems for all countries depending on Middle East oil. In addition to the loss of revenues involved, the United Kingdom and other European countries became vulnerable to industrial dislocation resulting from inadequate supplies of fuel. A flight from sterling developed but subsided quickly following the substantial buttressing of reserves mainly through drawings from the International Monetary Fund. Continued improvement was evident in the current account position of the United Kingdom in the closing months of the year.

### **Economic Expansion in Canada**

The easing of expansionary trends evident during 1956 in other major trading countries did not occur in Canada. In this country expansionary forces remained dominant throughout 1956. Canada's gross national product reached \$29.9 billion, 11 per cent above the level of the previous year. Moderately higher prices contributed to this increase. After allowance is made for this factor, national output in physical volume terms rose by about 7 per cent, more than in any other post-war year except 1955 which was a period of recovery. Total employment in 1956 rose by 200,000 persons, or nearly 4 per cent — more than in any comparable period within the last decade. Expanding immigration has added to the supply of workers available. However, natural increase in the adult population and immigration together accounted for only one-half of the increase in employment. The remainder is accounted for by the absorption of unemployed and by the employment of persons who, under less buoyant conditions, would not be in the labour market. A continuing shift of workers out of agriculture added to non-farm employment, particularly in the early part of the year.

All major sectors of the economy participated in the general expansion. Larger grain crops and greater output of dairy products raised agricultural production above last year's high level. Strong demand and expanding capacity

resulted in record output in the mineral, forest and chemical industries. Primary iron and steel, electrical, industrial and office equipment, construction, and most other capital goods industries experienced an unusually active year. Nearly all consumer industries also achieved a larger volume of business in 1956 although in a few lines such as synthetic fabrics and rubber footwear, domestic producers lost ground in the face of stiff competition from abroad.

### **Capital Investment**

The sharpest stimulus to economic activity in 1956 came from the stepped-up pace of capital expansion. A new upsurge in world demand for industrial materials, beginning in 1955, combined with a rapid pace of mineral discoveries in Canada, had induced a new wave of development in resource and related industries. This expansion carried forward with accentuated vigour into 1956. More investment in fact was planned for the year than could be realized despite a substantial rise in imports of machinery and construction materials. Some types of steel remained in tight supply throughout the year even though domestic output increased by 17 per cent in 1956 compared with the previous year and imports of rolling mill products nearly doubled. On the other hand, a tight supply situation in cement has been alleviated by substantial additions to capacity. Shortages of construction labour were quite widespread during the height of the construction season. In these circumstances investment costs rose quite sharply. Also the strong demand for funds resulted in a substantial increase in interest rates.

Total capital outlays in 1956 amounted to \$7.9 billion, 24 per cent in value and 17 per cent in volume above the level of 1955. Notwithstanding the already record rate of capital expansion, this was the sharpest rise in investment yet achieved in the post-war period. This involved a further increase in the proportion of Canada's resources used for the expansion of capital facilities. Expenditure on capital goods was equal to more than 26 per cent of the gross national product, the highest proportion yet attained in Canada's recent history.

Most of the additional investment in 1956 was directed toward further development of resource industries and the enlargement of facilities in transportation, power and other utilities. Expansion programs which figured prominently included exploration and development of oil and natural gas resources at a record pace in Western Canada, commencement of work on two gas pipe lines, one to the West Coast, and the other to Eastern Canada, development of Canada's new uranium industry, increased activity on the St. Lawrence Seaway project, and substantial additions to capacity for the production of pulp and paper, non-ferrous metals, chemicals, cement, steel, and electric power.

Residential construction, which accounted for one-quarter of total investment outlays in 1955, declined somewhat in relative importance during 1956. Nevertheless a record number of 135,700 housing units were completed during the year. Housing starts were about 8 per cent below the 1955 level.



**Private and Public Expenditures on New Construction and Machinery  
and Equipment 1955 and 1956**

Type of Enterprise	Capital expenditure		Percentage Change 1955 to 1956
	1955	1956	
	Millions of dollars		
Agriculture and fishing.....	426	495	+16
Mining, quarrying and oil wells.....	336	536	+59
Forestry and the construction industry.....	237	265	+12
Manufacturing.....	947	1349	+42
Utilities.....	1099	1630	+48
Housing.....	1499	1575	+ 5
Trade—wholesale and retail.....	329	319	— 3
Finance, insurance and real estate.....	102	125	+22
Commercial services.....	130	163	+25
Institutional services.....	408	402	—1
Government departments.....	837	1041	+24
<b>Total.....</b>	<b>6350</b>	<b>7900</b>	<b>+24</b>
Construction.....	4314	5283	+22
Machinery and equipment.....	2036	2617	+28

### **Incomes and Consumption**

Notwithstanding the strong pull on resources for capital expansion purposes, consumer spending in 1956 maintained a steady upward trend. Personal incomes increased sharply and nearly all groups participated in the rise. Farm income recovered substantially, reflecting higher production, increased grain exports and firmer prices. For wage-earning groups, an increase in average hourly earnings of about 4 per cent, higher employment, and somewhat longer hours of work combined to give a year-to-year increase of 11 per cent in total labour income. Dividend disbursements, rental returns and other forms of investment income were up substantially. Total personal income, after deduction of direct taxes, increased about 10 per cent. Although consumer prices rose moderately during the latter part of 1956, per capita real income was 6 per cent higher in 1956 than in 1955. Consumers as a group were therefore able to buy more goods and services and at the same time to increase their savings.

The rise in purchases was spread fairly evenly throughout all major categories of consumer items. The Canadian automobile trade escaped the slump encountered in the United States, and more automobiles were purchased in Canada in 1956 than in the previous year. Purchases of major household appliances, except for television sets, were well ahead of the 1955 volume. In addition, outlays for soft goods, including food and clothing, and for services, showed sizeable gains.

### **Foreign Trade**

Canada's sales abroad in 1956, reflecting the further growth in export industries, have more than kept pace with the rising level of world trade. The value of merchandise exports rose to \$4863 million in 1956, 12 per cent above

the level of the previous year. Merchandise imports, responding to the excessive demand pressures in domestic markets, surged upward at an even more rapid rate. The value of goods purchased from abroad reached \$5712 million, 21 per cent higher than in 1955. Prices of export and import commodities in the Canadian market were on the average about 3 and 2½ per cent higher, respectively, in 1956 than in 1955. In this connection the appreciation in the external value of the Canadian dollar tended to offset the rise in prices in international markets and constituted an important restraining influence upon the general price level in Canada.

#### Summary Statistics of Canadian Trade

	Calendar year			Percentage change 1955 to 1956
	1954	1955	1956	
	Millions of dollars			
Value of Trade:				
Exports.....	3,947	4,351	4,864	+11.8
Imports.....	4,093	4,712	5,710	+21.2
Balance of trade.....	-146	-361	-847	
		1948 = 100		
Price Indexes:				
Exports.....	115.1	117.7	121.3	+ 3.1
Imports.....	109.5	110.5	113.2	+ 2.4
Terms of trade.....	105.1	106.5	107.2	

Larger shipments of wheat accounted for about one-third of the total increase in Canada's exports in 1956. Despite difficulties arising from the United States surplus disposal program, sales of wheat and flour reached 341 million bushels in the calendar year, the highest figure since 1952. This improvement was due largely to increased demand for wheat in Western Europe and to the sale of substantial quantities to iron curtain countries. Crude petroleum, for the first time, moved into a place of prominence among the major export items, rising from a value of \$36 million in 1955 to \$104 million in 1956. Sales of iron ore, another relatively new export, rose from \$100 million to \$144 million. Other items which contributed significantly to the increase in total exports included newsprint, copper, chemicals and aircraft. Sales of aluminum also rose but not in proportion to the expansion in productive capacity. Low water levels in Northern Quebec resulted in a temporary curtailment of production during the early part of the year.

Lumber was the only major export commodity to show a significant decline. High ocean shipping rates, the drawing down of existing stocks in the United Kingdom, and the decline in housing construction in the United States, resulted in lower sales of lumber in each of Canada's principal export markets.

Most of the increase in imports in 1956 consisted of machinery and equipment, steel, and other industrial materials needed for the production of capital goods. On the basis of preliminary figures, purchases in this category accounted for nearly two-thirds of the total rise in imports. Among consumer lines, pas-

senger automobiles showed a substantial increase. Imports of most other consumer items and fuels also rose, but on a more moderate scale.

The increase in imports, by and large, did not prevent a further expansion in the business handled by domestic producers. A major portion of the increase in shipments from abroad consisted of items not made in Canada or of requirements in excess of the productive capacities of Canadian industries. In those lines most subject to foreign competition such as textiles, electrical appliances and industrial machinery, shipments from Canadian factories have, with few exceptions, showed significant gains notwithstanding the rise in imports.

### Leading Commodities in Canada's Trade

	Millions of dollars			% of total		
	1954	1955	1956	1954	1955	1956
Exports						
Commodity:						
Newsprint.....	636	666	708	16.1	15.3	14.6
Wheat grain.....	375	338	513	9.5	7.8	10.5
Planks and boards.....	325	385	326	8.2	8.8	6.7
Woodpulp.....	271	297	305	6.9	6.8	6.3
Aluminum and products .....	185	213	236	4.7	4.9	4.8
Nickel and products.....	182	215	223	4.6	4.9	4.6
Copper and products.....	135	175	206	3.4	4.0	4.2
Iron ore.....	40	100	144	1.0	2.3	3.0
Fish and products.....	130	125	130	3.3	2.9	2.7
Crude petroleum .....	6	36	104	.2	.8	2.1
Imports						
Commodity:						
Machinery.....	380	446	629	9.3	9.5	11.0
Automotive parts.....	180	247	285	4.4	5.2	5.0
Crude petroleum.....	212	229	271	5.2	4.9	4.7
Electrical apparatus.....	208	227	257	5.1	4.8	4.5
Rolling mill products.....	98	130	235	2.4	2.8	4.1
Farm machinery.....	143	178	232	3.5	3.8	4.1
Cars and trucks .....	76	114	171	1.9	2.4	3.0
Petroleum products.....	132	144	153	3.2	3.1	2.7
Iron products.....	108	116	160	2.6	2.5	2.8
Coal.....	105	107	129	2.6	2.3	2.3

On the basis of the value of exports and imports combined, Canada retained her position as the fourth largest trading nation in the world following the United States, the United Kingdom and Germany. On the basis of per capita trade Canada continued to rank second to New Zealand.



The principal changes in the geographic pattern of Canada's foreign trade in 1956 are indicated in the following tabulation:

#### Direction of Canadian Trade

	1954	1955	1956	1954	1955	1956
	Millions of dollars			Percentage of total		
Total exports to:						
United States.....	2,367	2,612	2,879	60.0	60.0	59.2
United Kingdom.....	658	774	818	16.7	17.8	16.8
Other Commonwealth and Ireland.....	205	251	255	5.2	5.8	5.2
Other Europe.....	346	383	531	8.8	8.8	10.9
Latin America.....	188	162	177	4.7	3.7	3.6
Others.....	182	168	202	4.6	3.9	4.3
Total imports from:						
United States.....	2,961	3,452	4,167	72.3	73.3	73.0
United Kingdom.....	392	401	485	9.6	8.5	8.5
Other Commonwealth and Ireland.....	183	210	222	4.5	4.4	3.9
Other Europe.....	179	204	297	4.4	4.3	5.2
Latin America.....	284	319	362	6.9	6.8	6.3
Others.....	94	126	179	2.3	2.7	3.1

#### Trade with United States

Sales to and purchases from the United States have both increased roughly in proportion with the change in overall exports and imports. The great bulk of the additional machinery, steel and other materials needed to feed Canada's investment upsurge has come from United States factories. Also most of the new production coming from Canada's expanding export industries is moving into the United States market. This is particularly true in the case of the new export commodities such as iron ore, petroleum, natural gas and uranium.

Since the late 1930's Canada's sales to the United States in volume terms have more than tripled. The volume of goods moving both ways across the international border has in fact been rising more rapidly than total output in either country. In the United States domestic output of forest and mineral materials has not kept pace with the rapidly expanding needs of American industry, and United States factories have become increasingly dependent, for their material requirements, upon imports from Canada. Accordingly the major part of the three-fold increase in Canada's sales to the United States consists of industrial materials. Some agricultural products also have contributed to this increase but to a lesser extent. Highly manufactured products have always been of relatively minor importance in Canada's exports to the United States. Nevertheless, sales of this type have increased six-fold, in volume terms, since pre-World War II, more than any other major group. Farm equipment and aircraft have figured prominently in this category.

## **Trade with United Kingdom**

In trade with the United Kingdom, there was a significant decline in 1956 in Canada's favourable balance for the first time in several years. Sales of British goods in Canada increased by about one-fifth thus providing a significant measure of support to the foreign balance position of the United Kingdom. Canada's exports to the United Kingdom, which had increased by 18 per cent in 1955, rose a further 4 per cent in 1956. In the United Kingdom, measures designed to restrain extensive internal demands achieved the intended effect of holding down total imports which remained little changed from the previous year. It is apparent, therefore, that Canada's relative position in the British market improved slightly despite the adverse effects of higher ocean freight rates.

In volume terms Canada's exports to the United Kingdom remained at about the same level as in pre-war years. Imports into Great Britain from all countries also showed no significant change. Consequently, Canada now supplies about the same proportion of total U.K. imports as before the war. The composition of Canada's exports to this market, however, has changed considerably. Among the commodities now sold to the United Kingdom in substantially greater quantities are grains, aluminum, and pulp and paper, which have gained at the expense of items such as livestock, dairy products, and traditional type base metals.

## **Trade with other Commonwealth countries**

Elsewhere in the Commonwealth, intensified import restrictions in Australia and New Zealand resulted in lower exports to these markets during 1956. However, by the latter part of the year inflationary tendencies in this area had eased, and some relaxation of controls has been implemented.

## **Trade with other countries**

A notable development in Canada's trade with other overseas countries has been the substantial increase in sales to, and purchases from, Germany and Japan. Increased shipments of wheat, iron ore, nickel and chemicals have helped to increase Canada's sales to Germany to \$142 million in 1956. On the other hand, the increase in imports from Germany (from \$56 million in 1955 to an estimated \$90 million in 1956) consisted largely of rolling mill products, machinery and automobiles. German passenger cars entering Canada were well over double the 1955 volume. Sales to Japan reached \$128 million last year with wheat, barley, pulp, base metals, asbestos and chemicals showing the principal increases. Imports from Japan rose from \$37 million in 1955 to an estimated \$60 million in 1956. The largest gain occurred in steel products. For some of these items such as oil casings and nails, Japan supplied a major portion of the Western Canadian market. There were, in addition, increased sales of Japanese salmon, textiles, and clothing, and a number of other consumer goods such as sewing machines, small radios, toys, cameras and sporting goods.

Trade with Latin America increased moderately during 1956 but no major changes in the commodity composition of this trade occurred. Canada's trade

with iron curtain countries assumed significant proportions for the first time with the sale of approximately 45 million bushels of wheat in this area.

### **Balance of Payments**

The sharper increase in imports than in exports resulted in a much greater imbalance in Canada's commodity trade. In addition, higher costs for shipping, travel and various other items added to the non-merchandise deficit. Canada's deficit on all current transactions for 1956 reached \$1,398 million. This is more than one-fifth of total current receipts. This current deficit was met by an inflow of capital funds of about the same magnitude, while there has been little change in official holdings of gold and U.S. dollar reserves. The capital inflow in the latter half of the year has in fact tended to exceed the deficit on current account causing a firming in the external value of the Canadian dollar which at the end of the year was selling at a premium of about 4 per cent over the U.S. dollar.

The imbalance in Canada's current external account is directly attributable to the stepped-up pace of industrial expansion. This growth is being achieved through increased reliance on financial and physical resources from abroad. The inflow of capital funds on the one hand and larger imports on the other provides the means whereby this foreign participation in Canada's growth is brought about.

## **Canadian Trade Commissioner Service**

CANADA ranked, in 1956, as the fourth largest trading nation in the world, and her trading interests extended to every quarter of the globe. The maintenance and expansion of this external trade is of vital importance to provide stability to the Canadian economy, to ensure maximum employment, and to preserve a high standard of life.

The Federal Government has been responsible for the promotion of Canada's external trade since Confederation, and the Canadian Trade Commissioner Service is the longest established agency for the fulfilment of this responsibility. This Branch of the Department has offered a continuous service to the Canadian business community since January 1st, 1895.

Canada's Trade Commissioner Service has been described as the "advance guard" of Canadian business interests in foreign countries. In 1956 trained trade officials located at 55 strategic centres in 43 countries assisted Canadian business to attain a record level of exports of some \$4.8 billion dollars. Trade commissioners are constantly on the watch for opportunities to increase Canada's export trade and to safeguard Canadian business interests abroad. They advise on foreign commercial policy on broad lines and report on economic trends and conditions in their territory. They are there to help the individual business man promote his export trade. They are required, as well, to devote attention to imports which are needed in the Canadian economy, and which help to furnish customers abroad with exchange to purchase Canadian goods.



## **Trade Promotion Activities**

To maintain and improve Canada's trading position in his territory, the trade commissioner undertakes a very wide range of duties. He is expected to prepare many economic and trade reports; to recommend local agents or distributors for Canadian exporters; to furnish Canadian business with credit and market information; to engage in tariff negotiations; to recommend, arrange and staff Canadian displays in international trade fairs; to attend and participate in international conferences as Canadian delegate or observer; to assist visiting Canadian business men; to undertake business tours; to maintain close liaison with government officials and business men in the area; to assist foreign concerns in establishing branch plants in Canada; to publicize Canada by means of lectures, films, radio, television, and the distribution of literature; and to make periodic visits to Canada to meet business firms and to discuss their foreign trade problems.

In the discharge of his duties, the trade commissioner is required to become encyclopædic about a great variety of subjects, such as tariff and import restrictions, freight rates and shipping routes, and business practices ranging through the alphabet from agency and barter arrangements to zoning of sales territories. He must attain some understanding of international trade policies, banking practices, arbitration procedures and a great variety of other things. In addition, the trade commissioner is expected to have a working knowledge of the language of the country in which he is stationed.

## **Results Achieved**

Reports received from 53 of the 55 offices abroad indicate that 1956 was the most active year in the history of the Trade Commissioner Service. A voluminous correspondence was exchanged with private business and government departments. The offices received 166,167 letters and cables and sent out 173,694. 481 reports on a variety of subjects were prepared for publication in the Department's fortnightly publication "Foreign Trade". In addition, 5,122 reports were prepared for Canadian business firms, this Department, and other departments of government. Trade commissioners assisted in arranging 910 new agency or buying connections in foreign countries for Canadian firms, and received 5,961 inquiries from Canadian exporters and 11,449 from firms in their territories wishing to do business in Canada. Trade commissioners received visits from 3,682 Canadian business men and 68,888 visits from local business men and others.

Many trade commissioners, in addition to their normal duties, were called upon to undertake the function of chargé d'affaires at their respective diplomatic missions, either for extended periods of time or through the complete year, and in all overseas missions close cooperation and liaison was maintained with colleagues in the Department of External Affairs.

The Department received many hundreds of letters from companies in Canada, attesting to the valuable services and assistance they had received from



trade commissioners. An analysis of a few of these letters indicates the wide range of products which trade commissioners have helped to market in overseas countries: they included, among other items, flour, resins and chemicals, nuclear and electronic equipment, jet aircraft, copper products, fish, seed potatoes, cement, beam therapy units, furs, diesel locomotives, building products, steel rails, household appliances, textiles, purebred cattle, refractories, lumber, biscuits, powdered milk, fertilizers, and wearing apparel.

The Branch continued to maintain and improve the standards of service which Canadian business has come to expect of it. The Trade Commissioner Service has continued to emphasize the importance of personal visits to export markets by Canadian business executives for the purpose of expanding export trade, and to provide many services to facilitate such visits. A campaign was also undertaken, in cooperation with other branches of the Department, to approach newly-established companies, or companies with no export experience, for the purpose of encouraging them to investigate and possibly to engage in trade in export markets.

### **Latin American Conference**

A conference of Canadian trade commissioners stationed in Latin American countries was held in Ottawa in July. Eleven trade commissioners from ten Latin American countries spent several days at the home office in discussing with officials in the Department ways and means of increasing Canada's exports to the rapidly developing republics of Latin America. They were joined during the conference by a group of Canadian business men with wide selling experience in that area. These business men presented some of the problems with which they are confronted and put forward a number of constructive recommendations.

Particular attention was devoted to the problem of developing greater interest among Canadian business men in the possibilities of the Latin American market. There was general agreement that exports could be increased by continuous and energetic efforts, despite dollar shortages in some countries and keen and growing competition from other exporting nations.

The visiting trade commissioners and business men covered a wide range of topics, including the problems involved in selling on credit terms in some countries in Latin America and the encouragement of business and official visits in both directions between Canada and Latin America.

### **Extension of Services**

A new office was opened in Hamburg in November 1956. This office is the second to be established in Germany since 1945, when the Bonn office was opened. No offices were closed.

### **Distribution of Personnel**

The Service is currently maintaining one hundred and twenty-one officers to man its fifty-five overseas offices and to administer its operations from

Ottawa.<sup>(1)</sup> Of this number eight are on headquarters staff, directing and co-ordinating the work of the overseas offices; five are on loan to other branches of the Department; two are seconded to other departments of government; one is in charge of the Department's office in Vancouver; ten are recently appointed assistant trade commissioners now undergoing training in Ottawa, and ninety-five are located at posts abroad.

### **Recruiting Program**

To take advantage of new trading opportunities in various parts of the world, plans are in hand to open trade offices in Colombo, Vienna, and several other places as soon as trained men become available to undertake the work. To meet demands on the personnel of the Trade Commissioner Service, the tempo of the recruiting campaign was stepped up in 1956.

Entry into the Trade Commissioner Service is competitive, and examinations are in two parts; (a) written papers and (b) personal interview. At the examinations held in January 1956, there were 118 candidates, from whom ten were selected and began a year's course of training in Ottawa prior to posting abroad. A second competition was held in November 1956, and 168 candidates sat for the written examination. Of this total 69 satisfied the examiners and were personally interviewed. Appointments had been offered at the time of going to press to the highest ranking ten.

The successful candidates included men from Vancouver, London, Toronto, Kingston, Ottawa, Montreal and Quebec City. There were graduates of Laval University, Loyola, McGill, Queen's, Ontario Agricultural College, Toronto, Western Ontario and the University of British Columbia. All were university graduates and four had postgraduate degrees. All had some business experience ranging from a few months to five or six years. Six out of the ten had other language qualifications in addition to English or French. The upper age limit in this competition was 31 years and the average age of the successful candidates was 24.2 years.

### **Staff Changes**

One trade commissioner resigned in 1956 and one transferred to another Department.

Mr. E. M. Gosse, in charge of the Department's office in St. John's, Newfoundland, resigned to accept the position of Deputy Minister of Fisheries with the Newfoundland Government.

Mr. R. P. Bower, who was until recently commercial counsellor in the London office, transferred to the Department of External Affairs and was appointed as Canadian ambassador to Venezuela. Since joining the Trade Commissioner Service in 1930, he had served with distinction in Rotterdam, Batavia, Auckland, Sydney, St. John's, and London.

<sup>(1)</sup>For a list of names and posts of Canadian trade commissioners abroad at the beginning of 1957 see Appendix H to this report. Head office personnel are listed in Appendix G.

## **Commodities Branch**

**T**HE COMMODITIES Branch serves a variety of functions. It is engaged in active trade promotion. It has important administrative responsibilities. It serves as a source of commercial intelligence. It provides for the continuous attention which must be given to Canada's part in international arrangements for control of strategic materials. It includes also service organizations gathering, collating and distributing information essential to the operation of other branches of the Department.

In trade promotion, the principal function of the Commodities Branch is to provide liaison with industry and the business community in Canada. This involves collection and exchange of information about trading opportunities brought to light by the Department's activities at home and abroad.

The Branch takes an active part in the planning of trade promotion programs, and for this purpose is always seeking to maintain its knowledge of the supply position in Canada and extend its industrial contacts in the search for products which may be sold abroad. Commodity officers are called upon in their trade promotion work to visit plants, to attend meetings of business associations, to prepare trade studies and market surveys, and to arrange for display of Canadian goods abroad for the purpose of their introduction in foreign markets.

The Branch is also concerned with the administration of the Export and Import Permits Act. It is responsible for the administration within Canada of the British West Indies Trade Liberalization Plan and the U.K. Token Import Scheme. Details of all these activities are described below. Separate sections deal with the work of the five divisions which comprise the Branch, namely the Machinery and Metals Division, Consumer Goods Division, Chemicals Division, Forest Products Division, and the Transportation and Trade Services Division.

### **Use of Trade Displays**

The Department's trade show program involves all trade promotion branches to a varying extent. Since many proposals for particular exhibits originate with commodity officers, this activity constitutes an important part of the work of the Commodities Branch. Mention is made elsewhere of the specific work of each division of the Branch. In a general account of the work of the Branch in this field may be mentioned the number of companies participating, the range of products covered, and the type of results obtained.

In the Canadian exhibit at the Comptoir Suisse were shown products of 104 different companies. This was by far the largest effort of its type which has been staged by the Department in recent years. The role of the Commodities Branch staff in preparations for this Fair commenced with a canvass of firms to ascertain their interest in taking part in the Fair. It continued during the planning of the exhibits, and included arrangements for assembly of the goods in Ottawa and



preparation of publicity material together with manuals for use by staff at the Fair itself. These manuals for use on the stands included detailed information on all products, their availability, prices, and special characteristics, agency connections in Switzerland (if any), and the purposes sought to be served by the display of the particular product.

The Director of this Branch and two commodity officers were among the staff manning the exhibits at the time of the Fair. Together with officers drawn from other parts of the Foreign Trade Service, they handled trade inquiries, interviewed prospective agents, contacted local representatives, and produced market surveys covering the products on display.

The range of goods on display included a wide variety of merchandise. Business visitors to the Fair showed keen interest in such items as power transmission line stabilizers, electric-arc furnace lead cable, specialized die-casting equipment, fractional horsepower motors, and a moisture meter, along with such consumer goods as woollen dresses, styled swim suits, tartan sport shirts, and children's toys, as well as household appliances such as electric stoves, deep freezers and electric ironers. Reactions to these displays on the part of both Swiss business men and visitors from other foreign countries were rewarding. A number of agencies were placed and interesting business leads were developed. Subsequent acknowledgments on the part of Canadian manufacturers who have benefited from these trade displays have been gratifying. Swiss business men have already visited Canada to follow up these initial contacts.

The number of firms participating in the foreign exhibits program during the course of 1956 reached 350, as compared with 250 in 1955. A large part of this increase was attributable to the scale of the effort at Lausanne. More than one-third of the total number of participants, however, took part in displays in various centres in the United States. The increase there was largely attributable to one important show, the National Shoe Fair in Chicago, more fully described below.

The Department has sponsored a continuing effort to acquaint Canadian industry with possibilities in the U.S. market through offering opportunities to participate in exhibits which have now been arranged in Rockefeller Centre for several years past. Where through this means and other investigation, prospects have appeared interesting on a sufficiently broad scale, there appears to be every reason to encourage groups of Canadian manufacturers to participate directly in trade fairs which specialize in particular product fields (sometimes known as vertical fairs). This type of fair forms one of the important market places for manufactured goods in the United States. As a result of surveys in New York and Chicago, it has been found that Government-sponsored exhibits are acceptable in a number of these shows.

In September 1956, as an experiment, the Department staged a joint exhibit to display the products of 17 Canadian shoe manufacturers in the National Shoe Fair in Chicago, the largest of the American shoe shows. This exhibit met with



interested response and subsequently with reports of encouraging successes achieved both in new export accounts gained for firms exhibiting and in additional knowledge of the extensive U.S. market gained by Canadian executives. It is planned to extend this program in 1957 and to place exhibits in vertical trade shows in other fields where there appear to be sufficient prospects that Canadian products may have attractive United States export possibilities.

Experience in trade promotion in the U.S. market has pointed clearly to the need of displaying samples to interest potential buyers.

Much study was devoted during the year to export promotion through use of all types of displays in foreign markets. The Director of the Branch, after completing his work at the Comptoir Suisse, visited a number of European posts where there is active trade promotion work through displays in fairs. He also inspected the Cologne Fair, the Utrecht Fall Fair, the United Kingdom Shoe and Leather Fair, and the Manchester Building Trades Exhibition. The purpose of these visits was to discuss with trade commissioners and representatives of Canadian firms the use of such exhibits for promotion purposes and to study possibilities for improvement of the techniques employed by the Department in conjunction with Canadian export industries. Commodity officers took an active role in trade displays in the United States and in particular assisted in manning the display at Chicago.

### **Machinery and Metals Division**

The world supply and demand situation in the raw materials field continued during 1956 to be very favourable to important Canadian export industries. Demand for capital goods continued, at peak levels throughout the world. Canadian industry in general also experienced an unprecedented level of demand in the home market. In the field of interest of this Division, the most important calls for assistance in trade promotion and the greatest difficulties with it were experienced in connection with capital goods. Shortages of material (particularly of steel), and limited available resources (particularly of technical personnel), restricted the extent to which Canadian engineering firms were able to take advantage of many interesting inquiries shown to them. At the end of the year, the forward engagements of some major firms in the engineering field were larger in value and extended longer in time than ever before in their experience.

In these circumstances, it has been more than usually difficult this year to match Canadian industry's inquiries for export business with foreign inquiries for offers of equipment and services. In a number of instances, however, assistance was given which enabled Canadian firms to obtain foreign contracts for the supply of equipment and technical services worth many millions of dollars. A number of firms participated actively in the Department's promotion efforts by displaying plant equipment in trade fairs and entertaining foreign missions in their plants and offices. Efforts were made to help Canadian consulting engineers to obtain contracts for engineering services in foreign countries. Canadian industry continued to be kept informed of new foreign capital

investment plans, particularly those to be financed by the International Bank for Reconstruction and Development. All these activities have been directed not only towards immediate sales but also towards the more important objective of establishing and maintaining trade connections and goodwill of permanent value to Canadian industry.

Among the metals there were shortages in the supply of steel, nickel, copper and aluminum, as well as scrap materials of all types. The resulting problems continued to require attention of specialists within the Division handling these commodities and involved inquiries abroad into conditions obtaining in these commodity trades.

The Division was active in its relations with the Canadian aircraft industry, and particularly in efforts to obtain contracts to supply jet aircraft to friendly governments.

Many important business visitors from abroad were entertained. One of the most successful ventures was the conducting of a group of executive officers from the South African Railways to establish contact with Canadian railway officials and Canadian transportation equipment industries. Arrangements for visits of technical groups to various other development projects in Canada were also handled by the Division.

In the field of minerals, the Division received an increasing number of requests for assistance in finding Canadian markets for cement. The high level of demand for cement during 1956, caused by the unusual demands of the construction industry, provided an opportunity for foreign countries which had successfully negotiated wheat purchases in Canada to earn substantial amounts of exchange to make payment for wheat. Among other minerals such as asbestos, gypsum and nepheline syenite, both volume and dollar value of production kept pace with substantial increases in export demand. Work was done to assist these industries in their export activities and to advise on markets in the light of changing conditions.

The International Tin Agreement was brought into force in 1956 by the accession of a sufficient number of countries to make the agreement operative. This necessitated close study within the Division, in collaboration with other departments, to brief Canadian representatives at the Conference convened by the International Tin Council. The Division also co-operated in preparations for the Sixth Commonwealth Mining and Metallurgical Congress.

The Division continued its support of the Committee sponsored by the Canadian Manufacturers' Association, the Engineering Institute of Canada, and the Canadian Construction Association, which was set up to study possibilities of Canadian participation in foreign engineering projects.

The Division is organized in three sections which deal respectively with metals and minerals; machinery and plant equipment; and transportation and agricultural equipment.

## **Consumer Goods Division**

Production of consumer goods in Canada is increasing both in volume and in variety. The volume of exports of consumer goods is also increasing, although not more than in proportion to the total growth of exports. An increasingly wide range of consumer products is finding its way into export markets and particularly into the United States.

In export promotion, the Consumer Goods Division finds itself dealing with a large number of small firms as well as important groups of large firms, many of which are branches of foreign companies. Where firms are small and are entering the export field for the first time, there is a real need for experienced assistance in forming plans and selecting products for testing in those markets. Inquiries are frequently received for advice on methods to be used and for an indication as to where opportunities may lie. Within the limits of the staff available in this Division, there are problems to be met in obtaining coverage of the Canadian industrial scene. The travelling schedules of officers, extending from coast to coast, are arranged to make maximum use of occasions where large numbers of manufacturers are gathered together, as in local trade shows and special business conventions. Effective use of officers' travel time is planned in great detail.

Display of consumers' goods is a most important method of interesting potential customers abroad, and in the United States market it is regarded as almost essential. Export promotion can often be most practically effected through displays in trade fairs abroad. Reference has already been made to increased exhibition activities in general during 1956, and to the increased number of firms which have participated in exhibits sponsored by the Department. These displays have been found to provide a most economical method for small manufacturers to display their goods for the first time, to test the possibility of interest in a foreign market, and to do this where buyers come to talk business and foreign firms are looking for good agencies.

In the field of activity of the Consumer Goods Division, 73 different firms were assisted by the Division with displays in Rockefeller Centre, 65 in the Comptoir Suisse, 41 in the Bogotá Trade Fair, 17 in the National Shoe Show in Chicago, and 10 in the 47th Shoe and Leather Show in the United Kingdom. The range of products covered in these displays was very extensive indeed and included jewellery, plated hollow-ware, hockey sticks, toys, dolls, air-conditioning units, hand tools, appliances, office furnishings, outboard motors, musical instruments, sporting equipment, nylon nets, boats and canoes, crystal, wrought iron work, church vestments, knitwear, lingerie, gloves, sportswear, styled goods, shoes, and leather. In selecting products for these displays emphasis is placed on originality and distinctiveness of Canadian design.

The initial possibilities of interest in a product may often be most readily tested by directing a general inquiry to a large number of posts abroad. This is usually done by making a product report for circulation. To ensure complete accuracy, product reports are prepared in conjunction with manufacturers, and they provide not only a precise description of a product and its uses, but also



details regarding price, packing, freight cost, and other essential particulars. Product reports issued in 1956 covered such merchandise as ink concentrates, liquid lead pencils, woodworking bench tools, fish net floats, tubular money chests, and polyethylene and cellophane bags and wrappers.

Where a Canadian firm is a branch or affiliate of some international organization, special problems may arise in trade promotion. It is not uncommon for the Consumer Goods Division to receive requests for special assistance from the Canadian management in developing plans for increased Canadian participation in export markets served by the international organization as a whole. Every effort is made in such cases to gain the benefits of wider markets for the Canadian industry concerned. Important successes have been achieved from assistance given to a number of companies.

The Consumer Goods Division is organized in eight sections which deal respectively with — (a) toys, recreational products, musical instruments, out-board motors; (b) handicrafts, photographic equipment, jewellery; (c) hospital, radio, television, scientific and surgical instruments; (d) plumbing, heating and hardware products; (e) electrical household appliances, sewing machines; (f) textiles, fibres and products, wearing apparel; (g) leather, rubber and plastic products; (h) beverages, alcoholic and non-alcoholic, sugar, spices and imported food items.<sup>(1)</sup>

### **Chemicals Division**

The chemical industry, one of Canada's fastest growing industries, is estimated to have attained in 1956 a record production value of roughly \$1.3 billion or approximately ten per cent more than the output of the previous year. Exports may also have experienced a similar percentage increase as sales abroad appear to have reached \$230 million. This trade covers such important products as fertilizers, synthetic rubber, synthetic resins, cellulose chemicals, pharmaceutical products, sodium compounds, petrochemicals, acids, cobalt salts, and compounds. Many miscellaneous chemicals and related products are not separately recorded in the trade statistics.

Some indication of the immediate prospects of the chemical industry is reflected in the continual expansion of productive capacity and in the investment plans of the industry during the current year. These involve outlays two and one-half times as large as those of 1955, and higher even than at the peak of the preceding upsurge in 1952. Practically no important field in the industry is unrepresented in the expansion program which provides for future manufacture in Canada of a number of items currently being imported in large volume.

The year 1956 was the first full year of operation of the newly-formed Chemicals Division. This year saw closer contacts established with the chemical industry and a considerable increase in the number of requests for assistance received in the Department. These requests led the Division to undertake many market surveys, product reports, and industry and market studies, which covered such products as pharmaceutical preparations and fine chemicals; fertilizers;

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<sup>(1)</sup> Recently transferred to Agriculture and Fisheries Branch. (See page 33.)



explosives; synthetic resins; paint products; pigments; lubricating additives; rust preventives; corrosion inhibitors; soaps; textile, tanning and paper chemicals; sanitary chemicals; petroleum products; and tetraethyl lead. From these surveys much useful information was developed for Canadian firms which should contribute to increased export trade.

As part of the Department's exhibition program, arrangements were made by the Chemicals Division for displays of Canadian chemicals and allied products in the German Industries Fair at Hannover and in the Fourth Salon de la Chimie in Paris, as well as smaller displays at the Comptoir Suisse in Lausanne and the International Trade Fair at Milan. For use of staff at these fairs there was prepared a handbook, which was also supplied to Canadian Trade Commissioners in Europe. This outlined products of the participating companies available for export, their properties, uses, company sales policy, and prices where available. Canada's participation in the Paris Fair was on a scale not previously attempted. In consequence, the Chemicals Division was also required to obtain and supply considerable material for publicity purposes and for the preparation of a promotional pamphlet to be given wide distribution at the Fair.

For general use in posts abroad, the Division has also prepared a 100-page booklet on chemicals available for export from Canada, outlining their properties, uses, packing, and the companies which are prepared to supply them. This publication is intended to assist the trade commissioners in handling inquiries dealing with technical questions and those affecting a variety of chemicals. It is also intended for limited distribution abroad to importing companies prepared to consider Canada as a source of supply for raw materials.

The Division is organized in two sections, one dealing with plastics, pharmaceuticals and heavy chemicals, and the other with oils, petroleum, and miscellaneous chemicals.

### **Forest Products Division**

World demand for the products of Canada's forests in general continued at high levels throughout the year. There were signs of weakening in some sectors and reflections of future increases in supply in others. It is estimated on the basis of trade statistics already available that the value of exports during 1956 was equal to that of the previous year. Production in the major processing industries was also well maintained, and in many sectors was in excess of the industry's rated capacity. The secondary industries in this field enjoyed a good year with an increase in the value of their manufactured exports to many parts of the world.

In the pulp and paper sector, exports actually increased over the record established in the previous year, newsprint and woodpulp accounting for most of the increase. In lumber and plywood, the year began with very strong demand; but this demand weakened during its course, and exports during the second half-year fell below the quantities reached in 1955. Liquidation of non-commercial stocks in the United Kingdom and a decline in housing activity in the United States were the principal factors responsible for the decline. Higher ocean freight rates, the premium of the Canadian over the American dollar,

and the lower housing trend were the principal causes for concern for the future on the part of Canadian lumber exporters.

The role of this Division is to give active assistance where possible to industry's effort to develop new markets and to maintain and expand its position in traditional markets. The nature of the Division's activity varies according to the position of the industry concerned. Gratifying results continue in consequence of product reports and market surveys initiated in earlier years and currently being continued. Particular efforts were made on behalf of such products as fine papers, converted paper products, and industrial woodenware, where the introduction of these lines into new markets was the principal objective. Expansion of exports was the principal objective of displays of lumber and related products at the Manchester Building Trades Exhibition, woodpulp at the Paris Salon de Chimie, wallpaper and wood products at the Comptoir Suisse, and forest products generally at the Utrecht Fair. In a number of cases, detailed foreign market surveys were completed dealing with local demand, competition, and trade practices, which have been of interest to exporters.

The usual market surveys were undertaken in other fields. An annual world survey covering production and consumption of newsprint was conducted by the Division in collaboration with the Newsprint Association in Canada and trade commissioners abroad. This indicated some prospective easing of the tight supply position which has existed for a considerable period. An annual survey was also made, in conjunction with the Canadian Pulp and Paper Association, the U.S. Pulp Producers' Association, and the Trade Commissioner Service, of woodpulp capacity, production and consumption.

In an endeavour to develop business inquiries from export houses in New York, a special showing of building products was arranged in Rockefeller Centre with some interesting results. Assistance was given to exporters seeking contracts for supplying paper requirements for United States foreign missions, for supplying lumber for the erection and furnishings of a church in the Aleutian Islands, for the sale of floating timber fenders to Ceylon, and similar unusual transactions. The British West Indies Trade Liberalization Plan was of special use to exporters of converted paper products whose industry has been faced with strong competition in foreign markets.

Prospects appear generally good for the continuation of a large volume of exports in all these fields, which collectively account for approximately one-third of Canada's total commodity exports.

The Division is organized in three sections which deal respectively with logs and lumber, manufactured wood products, and pulp and paper.

### **Transportation and Trade Services Division**

This Division provides a number of necessary services in connection with external trade, the Department's trade promotion activities and the work of all branches of the Department.

#### **Directories Section**

The principal work of the Directories Section is the maintenance of two confidential directories containing data on Canadian exporters and importers

respectively. These directories are a source of reference for trade commissioners and commodity officers. The Exporters' Directory is revised annually and the Importers' Directory biennially, and additions are made as unlisted firms come to the attention of the Section.

From the data provided by these exporters and importers the Section also maintains card records of the commodity interests of all firms in the directories. A revised index to the Exporters' Directory under commodity headings was distributed to posts abroad at the end of the year.

The upkeep of both directories and commodity cards is a continuous task. It takes approximately one year to complete the review of all listings in the entire Exporters' Directory. Monthly lists reporting additions, deletions, change of address, etc., are supplied to holders of the directories. Commodity newsletter cards giving a brief summary of the supply and market pictures of numerous commodities, as well as lists of suppliers in many instances, were distributed periodically as developments dictated.

To serve the growing trade promotion activity in the United States market, a special card index record listing Canadian exporters to the United States and their local connections was introduced in 1955. This records the specific products exported to that market by each firm, together with the names of agents or distributors and general remarks concerning methods of sale in the United States.

Information supplied to the Section by individual Canadian firms is treated as confidential.

### **Transportation and Communications Section**

Fluctuations in charter market rates and liner service freight rate increases were closely followed by this Section throughout the year. The effect of ocean freight rates on a number of trade movements from Canada was studied and, in conjunction with industry, shipping lines were approached when conditions surrounding a trade movement appeared to justify a rate adjustment. Statistical and other information was provided to shipping lines in studies of cargo potential and the possibilities for new shipping services. Transshipment facilities at overseas ports were investigated with a view to determining the best routes to be followed for Canadian exports to foreign markets, such as certain countries in Central America and the Middle East, where no direct shipping service is available from Canada.

The year opened with a strong demand for ocean shipping. In midyear there was a gradual decline in charter rates but with no clear evidence of market weakness. In the closing months, the demand for shipping, stimulated largely by trans-Atlantic coal movements, again strengthened. The closing of the Suez Canal in November pushed up charter rates to a near-record level for the post-war period.

Liner-berth service rates remained stable throughout most of the year. In November, nearly all shipping conferences announced a general rate increase of ten to fifteen percent, effective in December or early in 1957. As a result of



the closing of the Suez Canal, surcharges up to twenty percent were imposed by shipping lines normally operating on trade routes through the Canal to the Far East.

As in previous years, through information received from trade commissioners and other sources, industry was kept informed of changing port conditions, dues and taxes. Information on Canadian transportation services was made available to trade commissioner offices abroad for replies to foreign inquirers. Liaison was also maintained with the Canadian Packaging Association.

Numerous inquiries concerning shipping services, freight rates, stowage conditions, etc., for movements by rail, road, water and air were dealt with. These originated directly from private industry, from commodity officers investigating export possibilities for particular products, and from the Industrial Development Branch in studying the establishment of new industries in Canada. Preliminary work for revising the 1955 edition of "Canadian Foreign Trade Routes" was started late in the year. This booklet, showing steamship services from Canada, frequency of sailings, stowage, etc., is prepared in the Section for periodic distribution to industry.

A representative of the Section attended meetings of the Canadian Port Committee, a group formed from shipping, rail, port and export and import interests to assist wherever possible in the study of problems concerning external trade movements through Canadian ports.

The Section arranged passenger bookings for departmental officials travelling in Canada and abroad, and for technical experts and trainees travelling to and from Canada under the auspices of the United Nations and the Colombo Plan. Freight contracts for movements of departmental supplies to overseas offices were also arranged by the Section. The Cable Office handled the Department's plain and coded cable and telegraph traffic.

## **Export and Import Permits Section**

This Section is responsible for the administration of the Export and Import Permits Act. Controls over the export of strategic materials and equipment continued to be exercised throughout the year.

An Import Certificate-Delivery Verification system is operated in co-operation with other governments concerned, and designed to prevent the diversion of strategic goods from their approved destination. Regulations are also in effect respecting transshipment, which are designed to prevent the violation or frustration of other countries' strategic controls by diversion of goods in transit.

To facilitate business in non-strategic goods, general export permits have been further widened by permitting certain specified commodities to be exported to European Soviet Bloc countries without obtaining an individual permit. Further steps have been taken to simplify procedures and to assist individual firms in their compliance with strategic controls.



Since there are no controls over the movement of goods into Canada from the United States and few in the reverse direction, liaison with United States authorities was maintained to ensure that neither country was allowing its export permit procedures to hamper the other's objectives.

### **British West Indies Trade Liberalization Plan Section**

The number of firms still actively participating in the Plan in 1956 totalled 735. This included certain new exporters. 5,866 individual allocations were processed and issued in this Section during the year, an increase of nearly 8 per cent. Certain additional staples were incorporated in the list of those allowed to be imported into the British West Indies without restriction. Tobacco, apples, chemical fertilizers and calcium carbide were placed under world open general licence, thus removing the necessity of using the Plan for these products.

Requests for programming were heavy and exceeded the credits available. The majority of firms programmed had therefore to be confined at first to their initial 1955 allocations, or to the value of their shipments in 1955.

The demand for special allocations was very keen and still more exports would have been possible if sufficient credits had been available.

From experience gained in previous years it was possible to permit greater flexibility in many cases, thus reducing paper work for the benefit of exporters concerned.

### **United Kingdom Token Shipment Scheme**

The United Kingdom Token Shipment Scheme completed its eleventh year of operation. Four new quotas totalling \$28,700 were added in 1956. The present ceiling value of the Scheme is \$6.05 million a year, this increase having been caused by several firms submitting revised applications. Preliminary reports suggest that the total value of actual shipments for 1956 may be lower than in 1955, the shrinkage being due chiefly to Canadian firms having to face increased competition, although there were renewed inquiries during the fourth quarter into possibilities of additional allocations.

Reallocations of unused balances of quotas to other firms holding quotas in the same commodity category were permitted by the U.K. authorities on a larger scale and totalled \$312,000. No new items have been added to the eligible list, nor have any been deleted. Reallocation and interchange of commodities between a few commodity categories continued as in 1955 with a tendency towards somewhat greater flexibility.

The Department continued its close contact with Canadian firms holding quotas so that they might be encouraged to make maximum use of their entitlements. There were discussions through the Canadian Trade Commissioner's office in London with the British Board of Trade, and it is believed that the utility and flexibility of the Scheme will be improved in 1957.

## **Agriculture and Fisheries Branch**

**T**HE Agriculture and Fisheries Branch is primarily concerned with trade promotion relating to agricultural and fisheries products including the planning and co-ordination of work in this field, as well as with the programming, receiving and disseminating of information on foreign agriculture and fisheries. The Branch also acts as a focal point for liaison on agricultural and fisheries matters with the Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board, and other related government departments and boards.

During the year, officers of the Branch carried out their usual activities in connection with trade promotion. Numerous trade inquiries were handled and many requests for information from firms and individuals both in Canada and in other countries were answered. Trade commissioners were kept informed of current developments with respect to the wide range of commodities for which the Branch is responsible.

Officers of the Branch visited various parts of Canada for the purpose of attending trade meetings and visiting individual firms. In this way, they were able to acquaint themselves better with the numerous problems faced by exporters and importers, and in many cases to provide helpful suggestions and advice.

Included among these visits were several to Montreal, Quebec City, and Toronto, a tour of the Maritime Provinces in connection with seed potatoes, and two tours in Ontario in connection with the meat packing industry, the dairy industry, the livestock industry and the tobacco industry.

A considerable amount of agricultural information was received during the year from specialized officers of the Trade Commissioner Service stationed in countries which are either important markets or strong competitors. This information, in the form of regular and special reports and notes, dealt with various aspects of agriculture including production, marketing, prices, and agricultural legislation, and was augmented by similar material obtained from other members of the Trade Commissioner Service. This material was reviewed and analyzed by the Branch and made available to the Department of Agriculture and to others in Canada to whom it would be of interest.

The Branch was organized during the year into three divisions, namely: the Grain Division, (Chief, Mr. Wm. Van Vliet,) the Food and Agriculture Division, (Chief, Mr. G. E. Woollam,) and the Fisheries Division, (Chief, Mr. T. R. Kinsella.) At about the same time Dr. S. C. Hudson was appointed as Assistant Director. At the end of the year, the Imported Foods Section of the Commodities Branch was transferred to the Agriculture and Fisheries Branch.

The following comments by the three divisions on the pattern of trade with respect to some of the more important agricultural and fisheries products will give some indication of the field covered by the Branch during 1956.

## Grain Division

### Grain Production 1956

Canada's 1956 wheat crop was estimated at 537.8 million bushels, and was the sixth crop in seven years to exceed 450 million bushels. Production of oats was estimated at 535.4 million bushels, a 31 % increase over the previous year's crop and 43 % over the average for the last ten years. The 1956 barley crop was estimated at 277.8 million bushels, 10 % above the previous crop and 42 % above the ten year average.

### Grain Exports

Exports of the five major grains, together with the grain equivalent of wheat flour and rolled oats, amounted to 401.6 million bushels, an increase of 34.8 million bushels compared with the previous crop year. The following table sets out exports of each grain:

#### Total Exports of Grain and Milled Products

(Millions of bushels)

	30-year average 1925-26 to 1954-55	1954-56	1955-56
Wheat.....	212.0	211.3	269.8
Flour.....	42.4	40.5	38.9
Oats.....	25.4	21.6	3.6
Rolled oats and oatmeal.....	3.4	0.6	0.5
Barley.....	26.9	77.1	64.3
Rye.....	5.7	9.3	12.9
Flaxseed.....	2.2	6.4	21.6
<b>TOTAL.....</b>	<b>318.0</b>	<b>366.8</b>	<b>401.6</b>

Substantial sales to Russia, Poland, Czechoslovakia, and Hungary accounted for a considerable part of the increase in wheat exports. The United Kingdom and Germany also increased their wheat purchases.

### International Wheat Agreement

Following conferences in Geneva and London, a new international wheat agreement was negotiated and went into effect on August 1st, 1956. 44 importing countries and 6 exporting countries will participate in the new agreement. Canada's principal customer, the United Kingdom, which was a member of the original agreement, is again a non-participant. The minimum and maximum prices are \$1.50 and \$2.00 per bushel respectively, basis No. 1 Northern in store Fort William/Port Arthur. Canada's export quota under the new agreement is 99,739,000 bushels.

### Insurance of Wheat Sales

In order to facilitate export sales of wheat, the Canadian Government authorized the insurance of a number of grain sales under the Export Credits Insurance Act. During the crop year, this arrangement was extended to Czechoslovakia, Poland and Hungary, and covered sales of approximately 27 million bushels. The Division conducted negotiations with representatives of the governments concerned which led to the granting of insurance to the countries mentioned.



## **Grain Conferences**

At the request of the Canadian Wheat Board, three regional grain meetings were held in Europe to discuss with trade commissioners the prospects for marketing Canadian grain in their territories and any problems which existed in connection with the marketing of Canadian grain. The first meeting was held in London on October 22nd and 23rd, and the trade commissioners from the United Kingdom, Ireland, France, Belgium, the Netherlands, Norway and Sweden were in attendance. At the second meeting, held in Vienna, trade commissioners from Germany and Switzerland and representatives of the Department of External Affairs from Moscow, Warsaw, Vienna and Prague took part. The third meeting was held in Rome, with trade commissioners from Spain, Portugal, Italy, Greece, Egypt, and the Middle East. As a result of discussions at these meetings, the trade commissioners were completely posted on the Canadian grain position and the Canadian Wheat Board in turn was informed on the grain situation in each of the important territories represented.

Mr. G. R. Paterson, Director of the Branch, was chairman of each of the three conferences. Also participating were Mr. G. H. McIvor, Chief Commissioner of the Canadian Wheat Board, Mr. Earle Robertson, Commissioner, and Mr. C. B. Davidson, Secretary of the Wheat Board, Mr. M. J. Conacher, Assistant Chief Inspector of the Board of Grain Commissioners, and Mr. R. M. Esdale of the Grain Division.

## **Temporary Wheat Reserves Act**

The Temporary Wheat Reserves Act, which was passed during the first 1956 session of Parliament, came into effect on March 7th, 1956. The terms and purposes of the Act are set forth in Section 3 as follows:

(3) Where, after the 31st day of July, 1955, the stocks of wheat of the Wheat Board exceed one hundred and seventy-eight million bushels at the commencement of a crop year, the Minister of Finance shall, out of the Consolidated Revenue Fund, pay to the Board for each day in that crop year an amount equal to the portion of the said stocks that exceeds one hundred and seventy-eight million bushels at the commencement of that crop year, multiplied by the carrying charge rate paid by the Board at the end of the immediately preceding crop year.

The Temporary Wheat Reserves Act continues in force until such time as the stocks of wheat held by the Canadian Wheat Board at the commencement of a crop year are not in excess of 178 million bushels. The funds payable to the Board on the foregoing basis for the period August 1st, 1955 to July 31st, 1956 were calculated at \$31,486,186.65.

## **Prairie Grain Producers' Interim Financing Act, 1956**

The Prairie Grain Producers' Interim Financing Act, 1956, was approved by Parliament early in 1956 and extended by Order-in-Council to the 1956-57 crop year. This Act provides for a guarantee by the Minister of Finance to the chartered banks of loans to western grain producers on farm-stored grain. The Minister of Finance is responsible for the administration of the Act.

## **Other Activities**

The Division continued its normal function as the liaison office for the Canadian Wheat Board in Ottawa. Members of the Division attended session of



Parliament and parliamentary committees and assisted in the preparation of all grain legislation.

### **Personnel**

Mr. William Van Vliet replaced Mr. G. N. Vogel as Chief of the Grain Division during the summer of 1956. Mr. Vogel left the Department, after a number of years of useful public service, for a position in the private grain trade.

## **Food and Agriculture Division**

### **Fruits and Vegetables**

The 1956 crop of all fruits without exception was less than the bumper 1955 crop, and was in nearly every case below the post-war average.

The United Kingdom reduced its over-all quota for apples from North America from £1,650,000 to £1,250,000 and established a combined quota to cover imports from Canada and the United States in place of the former 60/40 split. In other areas, however, and notably the British West Indies, some lifting of restrictions occurred. Apples were one of the commodities put on open general licence during the year. The United States continues to be the leading importer of Canadian apples, followed by the United Kingdom. Fairly substantial quantities were also exported to the British West Indies and South America, and there is evidence that Canadian apples are gaining wider popularity in those markets.

Although the quantity of blueberries exported reflected the sharply reduced production, the value of these exports compared favourably with last year. Exports of other fruits were in keeping with the smaller crop, and prices were higher than last year. Canadian imports of fruits showed an increase over 1955, and again greatly exceeded exports.

Imports of vegetables were also higher than exports. Vegetable exports in 1956, however, showed a much greater percentage increase than imports, the increase being largely due to increased exports of table potatoes to the United States. Exports of rutabagas (turnips) were average.

### **Seed Potatoes**

Venezuela purchased its total seed potato requirements from Canada in 1956, almost double its 1955 purchases. On the other hand, owing to increased competition from the United States and European countries respectively, sales to Uruguay and Greece were smaller than last year. Cuba, Bermuda, Jamaica and other countries in the Caribbean area also made important purchases. Argentina follows the practice of renewing its seed every second or third year and was not in the market in 1956. The United States remains the largest buyer of Canadian seed potatoes.

### **Oilseeds**

Production of oilseeds reached a record high in 1956. Flaxseed production greatly exceeded the record 1955 crop, and it is estimated that Canada produced

one-fifth of the world's flaxseed exclusive of production in the U.S.S.R. Most of Canada's production is available for export. Exports during 1956 were higher than in previous years, most of the increase going to the United Kingdom.

Rapeseed production in Canada is becoming increasingly important. The 1956 production was four times the record 1955 crop, of which about 60 per cent was exported. Japan, the Netherlands, Belgium, Germany, and the United States were the principal export outlets. As a result of expected higher production of oilseeds in Japan in 1956 and a reduced crop in Sweden, which is normally a large exporter of rapeseed, it is anticipated that a larger proportion of our 1956 crop will be sold in Europe.

Mustard seed production has also been increasing rapidly, the 1956 crop being more than double that of 1955. The United States provides the principal market, but substantially increased exports to Japan are anticipated.

Less than half of the soyabeans consumed in Canada are produced domestically, the remainder being imported from the United States. At the same time, a substantial part of Canada's production is exported, largely to the United Kingdom.

### **Other Seeds**

Production of forage seeds in 1956 was the smallest in years. This decrease, coupled with reduced production in the United States, our main export market, has resulted in prices that were double or triple those of the previous year. Despite this, the export value of forage seeds, on a calendar year basis, is not significantly different from what it was in 1955. Exports of other seeds, including cereals, were average.

### **Feedstuffs**

Exports of oilcake meal, chiefly to the United Kingdom, were substantially higher, whereas exports of other feedstuffs were normal.

### **Tobacco**

Exports of tobacco were substantially below the level reached during the previous year, when an unusually large quantity was purchased by the United Kingdom. The United Kingdom continued, however, to be by far the most important market. Other important outlets were the British West Indies, Australia, and the Netherlands.

### **Other Products**

Malt exports were again substantial, totalling roughly \$8,500,000. Exports of pulses in 1956 were below average in volume as a result of the low yields in 1955.

### **International Sugar Agreement**

The International Sugar Agreement came into force on January 1, 1954, and it is to run for a period of five years. Canada acceded to the Agreement on June 29 of 1954 and became a member of the International Sugar Council.

A Canadian delegate regularly attends meetings of the Council and also has participated in the work of Committees.

Of the various provisions in the Agreement the principal obligations affecting Canada as a net importer are requirements for regularly furnishing statistical and other information particularly with reference to imports, exports, production and consumption of sugar, changes of tariff, etc. Imports of sugar from countries which do not participate in the Agreement are also restricted.

Early in 1956, in accordance with the provisions of the Agreement requiring action to be taken in the third year, the Council requested the Secretary-General of the United Nations to convene an international conference to review the world sugar situation and special difficulties and to examine the entire workings of the International Sugar Agreement.

The United Nations Sugar Conference was convened at New York on the 21st May, 1956, and continued until June 20 without coming to an agreement. It was therefore adjourned. Notice was given that a second session would be held at Geneva in October.

The second session commenced on October 4 and continued until November 2, when the Conference concluded its work with unanimous acceptance of a protocol amending the International Sugar Agreement. The amendment was to take effect January 1, 1957, provided that the votes of both the import and export members who ratify or accede to the protocol are sufficient to bring it into effect. Canada participated in both sessions of the U.N. Conference and ratified the amending protocol.

The principal effects of the amendment relate to export quotas and the action to be taken under a much narrower price range than the original Agreement provided.

One of the main purposes of the Conference was to endeavour to induce a greater number of countries to participate in the Agreement, particularly major sugar exporters such as Peru, Brazil and Indonesia. Several countries not participating in the Agreement attended the Sugar Conference, but up to the end of 1956 the major non-participating exporters mentioned herein had apparently not joined. A provision had been made in the protocol amending the Agreement to provide export quotas for such countries, including India.

The International Sugar Council has announced that Nicaragua has acceded.

## **Animals and Their Products**

### **Livestock**

Exports of purebred livestock continued at a high level. The United States was the most important market for purebred dairy cattle, but substantial numbers also went to Latin-American countries. A highlight of the year was the filling of an order from Mexico for about 4,000 animals, which were purchased by the Mexican Government for re-sale to individual farmers and breeders. Some 400 head were sold to Guatemala for a similar purpose. A delegation from Italy bought three valuable bulls for use in an artificial insemination centre there.



Exports of purebred sheep and swine were about the same as in the previous year.

A slightly higher number of dairy cattle other than purebred were exported, while exports of beef cattle other than purebred again declined considerably from the previous year. Most of the exports of cattle of these types went to the United States.

### **Meats**

Production of all meats except mutton and lamb was higher in 1956 than in 1955. Domestic consumption continued its trend to higher levels, absorbing more than 90 per cent of the total supplies available. Exports of beef and veal were slightly higher than in 1955, but those of pork were slightly lower. Imports of pork were negligible, with beef and veal slightly greater. The lamb situation remained virtually unchanged: domestic production satisfied less than 75 per cent of consumers' requirements, with New Zealand and Australia supplying the bulk of the remainder.

Production of canned meats exceeded that of the previous year, with imports and exports both dropping somewhat from 1955 levels. Lard production has expanded in direct proportion to the increase in hog marketings, but has not kept pace with domestic demand. Exports dropped to less than one third of 1955 levels, while imports have quadrupled.

Although domestic users consumed the bulk of Canadian production in 1956, assistance was given to Canadian meat packers in locating markets abroad whenever the need arose. A special survey of competitors' activities in the Detroit area was made during the year, and a study of the market for Canadian meat products in the Caribbean area was also carried out.

### **Dairy Products**

Exports of dairy products continued to be prejudicially affected by import restrictions in effect in other countries arising from exchange difficulties and other reasons, and by competition from other supplying countries, including exports under the United States surplus disposal program.

The United Kingdom again allocated a limited amount of dollars for the purchase of cheese in North America, but the quantity obtained in Canada was less than in the preceding year. The United States maintained its restrictions on the import of certain types of dairy products.

Imports of dairy products were comparatively small, and consisted for the most part of dry skimmed milk and European types of cheese.

### **Butter**

The quantity of butter exported during 1956 was substantially less than during the previous year but considerably in excess of the quantities exported during other recent years, when exports have been negligible. The bulk of it was butter made in 1954 which the Agricultural Prices Support Board sold for export to East Germany.



## **Cheese**

The United Kingdom was again the principal export market for cheddar cheese, although exports to that country were lower than during the previous year.

This was largely due to the fact that while the United Kingdom dollar allocation to cover imports was the same as last year, Canadian prices were higher.

The United States continued to restrict the import of cheese, while exports to Belgium, which has been a small but continuing market, were again adversely affected by subsidized exports from the United States.

## **Concentrated Milk Products**

Exports of evaporated and condensed milk in 1956 were slightly higher than during the previous year, but because of exchange restrictions and competition from other supplying countries they were substantially below those of several years ago. Evaporated milk was exported to about 30 countries, the most important outlets being the British West Indies and Latin America. The most important export outlets for condensed milk were the British West Indies, Indo-China, and Latin America.

Exports of dry whole milk increased over the previous year, and again reached a record high. Shipments were made to more than 30 countries. Venezuela was again by far the most important export market. Other important outlets were in the British West Indies and Latin America.

Owing to the supply position, exports of dry skimmed milk were again low, although they were about the same as during the previous year. In order to meet the domestic demand, some dry skimmed milk was imported from Australia and New Zealand.

## **Eggs and Poultry**

The quantity of eggs exported in 1956 was very small, and was about the same as during the previous year. Venezuela and the United States were again the principal outlets. Some eggs were imported, mainly from the United States.

Exports of dressed poultry were negligible. Imports were far in excess of exports, and exceeded the imports of 1955. The main source of supply was the United States, and the imports consisted almost entirely of fowl and turkeys.

## **Honey**

While exports of honey were considerably higher than during the previous year, they were again exceeded by imports. The principal export outlets were Belgium, the Netherlands, West Germany, and the United States, while the main source of imports was the United States.

## **Furs**

Mink, both ranch and wild, beaver, and muskrat continue to be of greatest importance in the export picture. Although the United States and the United

Kingdom remain the chief markets for Canadian raw furs, exports to those countries have declined. Total exports of furs, in fact, were somewhat lower in 1956 than in 1955. This decline was due chiefly to marked decreases in marketings of squirrel, wild mink, and muskrat, and to a depression in the price of beaver pelts. Prices for most furs slackened off slightly through the year, and the initial offerings for the 1956-57 fur sales season are expected to be at a somewhat lower level.

The Canadian fur industry was materially assisted in the export field by a display of fur garments and raw and dressed pelts at the Comptoir Suisse.<sup>(1)</sup> at Lausanne, Switzerland. In addition, approximately 300 European fur importers were advised periodically of dates and quantities of raw pelts offered at auctions across Canada. The Branch also instituted a survey of the world fur industry, and distributed news notes of conditions in the industry in foreign countries to Canadian firms and officials.

## **Fisheries Division**

### **Exports and Imports of Fisheries Products**

The year 1956 proved to be exceptionally good so far as the overall marketing of fisheries products was concerned. Exports reached a record high during the calendar year 1956 totalling \$133.7 million, approximately 4 per cent higher than the \$128.8 million reported in the previous year. Shipments were made to some eighty countries. Of particular significance were sales of fish meal, which increased by about 30 per cent in 1956, and a much larger pack of sardines was also indicated. The pattern of distribution followed the trend of previous years with the United States receiving the bulk of our exports, especially in the fresh and frozen forms. The quantity shipped to Europe showed a reduction due chiefly to the lower output of Pacific Coast canned salmon. The important markets of Puerto Rico and Jamaica took reduced quantities of salt fish during 1956, although sales to Cuba were higher. Increased quantities of lobster, boneless salt cod, and scale fish were also exported during the year.

Despite the fact that Canada is a net exporter of fisheries products, imports from other producing nations have steadily increased. Total imports of fisheries products into Canada from some twenty-seven supplying countries in the first ten months of 1956 reached \$12.9 million compared with \$9.8 million in the corresponding period in 1955. Canned shellfish from the United States and Japan, canned sardines from Norway, and canned salmon and tuna from Japan were the most important items. Limited quantities of South African rock lobster or crayfish were also sold in the Canadian domestic market.

### **Fresh and Frozen Fish**

Exports of fresh and frozen fish from the Atlantic, Pacific, and inland fisheries continued their upward trend, and were in demand in the many consuming areas in the United States. Imports of fresh and frozen groundfish fillets and blocks (cod and related species as well as ocean perch) from all sources into

<sup>(1)</sup> More fully described in the sections relating to the Commodity and Information Branches and that dealing with the operations of the Canadian Government Exhibition Commission.

the United States in the calendar year 1956 reached a new high of 138.6 million pounds in comparison with 130.1 million pounds in the previous year. Canada with 99.4 million pounds was the leading supplier, accounting for 72 per cent of the total. Of the other ten countries outside of Canada participating in this market, Iceland was our strongest competitor with 27.1 million pounds. Norway, Denmark, and West Germany also shipped fair quantities to the United States. With the ending of the Icelandic-United Kingdom fisheries dispute in November and the signing of a new trade agreement between Soviet Russia and Iceland for the shipping of increased supplies of Icelandic frozen fillets to Russia, a strong demand should continue for Canadian fish.

On October 12, 1956, the United States Tariff Commission made a unanimous recommendation to President Eisenhower that the existing duty on imports of fresh and frozen groundfish fillets and blocks should be increased by 50 per cent. Strong opposing representations were made by the major exporting countries concerned. On December 10th, the President declined to follow the recommendation of the Tariff Commission.<sup>1</sup>

While production of fish sticks in the United States was lower in 1956 than in the previous year, exports of Canadian frozen blocked fish (the raw product from which fish stocks are made) remained about the same. The introduction of voluntary continuous in-plant inspection and grading of fish sticks in the United States is expected to encourage a stronger consumer demand for this product.

### **Salted Fish**

There was no excessive carryover of stocks of salt fish either in the world producing countries or in the markets at the end of the 1955 season. Consequently, there was an exceptionally strong export demand for salted groundfish early in the year, particularly in the Caribbean area. The supply position was also affected by the lower production of light salt cod in the province of Newfoundland during 1955. Shipments of salt cod to the two largest markets, Puerto Rico and Jamaica, showed a reduction, but Cuba purchased more than in 1955. Retail ceiling prices on salt cod were still in effect in Puerto Rico and Jamaica, and were largely responsible for the reduced shipments to those particular markets.

Reports indicate that the output of heavy salted hard dried fish will be found to have been much higher in 1956, but production of light salt cod will be lower. No exports of salt fish were made to the former important market of Brazil. The latter country continued to obtain its requirements from soft currency sources, although encouraging signs were noted towards the end of 1956 as Brazil's trading policy with Europe showed a tendency towards multilateral trading. This, it is felt, will bring the existing agio or premium on the currency of the other supplying nations more in line with the premium on United States dollars. Hitherto it was impossible for Canadian exporters to compete in view of the wide differential in favour of the soft currency countries.

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(1) See also page 48.



The trade agreements signed with Portugal and Spain in 1954 facilitated exports of salt cod to these countries. In addition, the restrictions on imports of salt cod into Italy were removed during the early part of 1956. There was, however, intense competition from European producers, whose fleets have been increased considerably in recent years.

Salted scale fish (pollock, hake, and cusk), pickled herring, mackerel, and alewives, as well as smoked herring bloaters, were in demand in all traditional outlets, and no marketing problems arose.

### **Canned Fish**

In British Columbia the smallest salmon pack since 1944 was put up. Only 1.1 million cases were canned in comparison with 1.4 million cases in 1955. The sockeye pack was higher, but the output of pinks and chums, particularly the latter, was poor. It was the low year of the cycle for pink salmon, but it had been anticipated that a much larger quantity of chum salmon would be packed. Some of the chum catch was shipped to the United States in the fresh and frozen forms. There was a keen world-wide demand for the West Coast product, and the packers endeavoured to supply traditional markets with their requirements. The United Kingdom announced an allocation for imports of canned salmon from North America amounting to £3.3 million cif., as in 1955. The United States, New Zealand, Belgium, and the Netherlands purchased significant quantities, while the British West Indies were free of dollar restrictions. Australia and Italy again provided allocations for the import of canned salmon from Canada.

A favourable development was the larger pack of canned sardines, which was almost double the output in 1955. There were a few markets which still restricted imports of sardines from the dollar area for currency reasons. However, canned fish was under open general licence in the British West Indies and New Zealand, and supplies of Canadian sardines were also sought in many other markets including South Africa, Cuba, the Dominican Republic, Panama, Surinam, and the Netherlands Antilles.

### **Shellfish**

The lobster catch was higher in 1956. Larger quantities were put up in canned form, and sales of lobster in the shell also increased. The United Kingdom Token Shipment Plan for the import of Canadian canned lobster and paste was still operating on the basis of a past pattern of trade. The United States took almost all the available supply of fresh and frozen lobster and a large quantity of canned lobster. Sweden, Belgium, West Germany, the Netherlands, and Switzerland were other outlets.

Production of clams and oysters was lower, while scallops showed an increase. The overall value of exports of shellfish was higher than 1955 shipments amounting to \$20.5 million.

### **By-products**

As a result of the phenomenal catch of West Coast herring in the Queen Charlotte Islands, the British Columbia herring industry experienced its best



season on record. Almost all of this fish was used in the production of oil and meal, although some supplies were put up in the dry salt and canned forms. The bulk of the herring meal was shipped to the United States, with the Philippines and Venezuela also important markets. Other types of fish meal, including the Atlantic Coast product were exported mainly to the United States and the United Kingdom. Herring oil was in demand in West Germany, the United States, and the Netherlands. Other fisheries by-products shipped principally to the United States included cod liver oil, halibut liver oil, herring scales for the manufacture of pearl essence, fish solubles, and skins.

### **Newfoundland Fisheries Board**

The Department of Trade and Commerce, in cooperation with the Department of Fisheries, continued to administer the functions of the Newfoundland Fisheries Board in 1956. The Department also supervised the marketing activities of the Newfoundland Associated Fish Exporters, Limited, as well as providing marketing assistance to the entire Atlantic Coast salt fish trade. NAFEL was again the sole exporter of dried salt cod from Newfoundland, this privilege being granted, subject to certain conditions, in order to ensure orderly marketing of salt cod in that province.

### **Interdepartmental Fisheries Trade Committee**

An Interdepartmental Fisheries Trade Committee, composed of representatives of all government departments concerned with fisheries matters, met periodically during 1956 to consider and review various aspects of the production and marketing of Canadian fisheries products.

Close liaison was maintained with the Department of Fisheries as well as the Fisheries Council of Canada and its member organizations from coast to coast, in order to ensure that the best possible service should be provided to the industry. Several meetings were held with the trade during the year. Of special note was a meeting of the salt fish trade in Halifax during October, convened jointly by the Departments of Fisheries and Trade and Commerce in cooperation with the Fisheries Council of Canada. The Deputy Minister of Trade and Commerce was present, and informed the industry respecting several contentious points relating to the European, Caribbean, and Latin American markets.

### **Information Service**

Both the industry and federal and provincial fisheries officials were kept currently informed of the market situation through the medium of over 200 special market and production bulletins provided by the Fisheries Division. The information in these bulletins was summarized from reports received from Canadian trade commissioners around the globe, as well as fisheries specialists located in important fish consuming and producing countries. Articles on markets for Canadian fisheries products were prepared for publication in "Foreign Trade" and trade periodicals. Assistance was also furnished to the fishing industry by bringing Canadian fish and fish products to the attention of foreign buyers through special displays at several European trade fairs.

## **International Trade Relations Branch**

**T**HIS Branch, in close co-operation with other branches of the Department and in conjunction with other interested departments, has major responsibilities in the development and conduct of Canada's trade and commercial relations with other countries, including the negotiation and administration of trade agreements. In addition, the Branch maintains complete and up-to-date information on the tariffs, import and exchange controls, documentation requirements, and other regulations of foreign countries affecting trade, supplies advice and assistance to Canadian exporters in the development of their trade, and publicizes new measures in this field. In the conduct of these responsibilities the Branch continued during 1956 to follow closely commercial and economic developments at home and abroad to enable views to be formulated in the interests of Canadian trade. Members of the Branch participated in negotiations and consultations with various other countries during 1956 both directly and within the multilateral context of the General Agreement on Tariffs and Trade and other international organizations.

### **United Kingdom and other Commonwealth Countries**

Economic conditions in the Commonwealth were generally favourable in 1956. For most of the year there was some improvement in the balance of payments of both the United Kingdom and of the Sterling Area. Exports of Sterling Area countries continued to increase during 1956. Largely as a result of this increase in exports, there was quite a considerable improvement in the balance of trade of sterling countries. United Kingdom exports to dollar countries also increased. These more favourable circumstances are reflected in the gold and dollar reserves of the Sterling Area, which increased in 1956. At the end of December 1955 these reserves amounted to \$2,120 million. At the end of October 1956 the reserves had increased to \$2,244 million. Towards the end of the year some capital movements brought pressure on the gold and dollar reserves. The Suez crisis has also caused additional difficulties for the balance of payments of the Sterling Area. To meet these difficulties the United Kingdom has drawn upon liquid dollar assets which it holds in the International Monetary Fund and has also made other arrangements to improve its balance of payments position. In the face of the more recent difficulties, however, the United Kingdom did not take recourse to intensified import restrictions. It is likely that the United Kingdom and other Sterling Area countries will be able to achieve further improvements in their balance of payments upon a return to more normal conditions in 1957.

Sterling Area countries continued to relax restrictions on dollar imports during 1956, although these relaxations were not on as wide a scale as in some previous years. In the United Kingdom, import quotas on wood pulp and various types of paper (not including newsprint) were abolished, and these products were placed under world open general licence. In December the United Kingdom announced an end to official rationing of newsprint, and this

may lead to increased consumption in 1957. Towards the end of the year whisky was also placed under world open general licence in the United Kingdom. Despite these relaxations, however, import restrictions in the United Kingdom continue to restrict severely the Canadian exports of manufactures to that country. In the British West Indies, four products, namely fresh apples, tobacco, chemical fertilizers and calcium carbide, were placed under world open general licence. Canadian exports of these products to the British West Indies in 1956 amounted to over \$2 million. In the Federation of Rhodesia and Nyasaland, more than 400 products were liberalized in 1956, and these may now be imported without restriction from dollar sources. In Mauritius, administrative relaxations of import restrictions have permitted a return of Canadian products to that market for the first time in the post-war period. In South Africa, import restrictions on consumer goods were further relaxed. In India, there was a significant relaxation in the degree of discrimination in the import control system. As a result of these various measures Canadian exporters now have greater opportunities in Commonwealth markets than at any time in recent years. Canadian exports to the Commonwealth continued to increase in 1956.

The Branch participated in discussions with a number of countries regarding changes in tariffs and trade agreements. In the United Kingdom the pre-war quota preference on bacon was replaced after GATT consultation by a tariff preference which became effective on October 1, when imports reverted to private trade. Changes in the tariffs of South Africa and Ceylon affected the Canadian trade agreements with these countries. Tariff and trade negotiations were also conducted with the Federation of Rhodesia and Nyasaland and with Hong Kong. Extensive tariff reviews were also conducted in New Zealand, Australia and South Africa in 1956 and are continuing. The effect of these upon Canadian exports has been kept under constant review, and Canadian firms concerned have been given advice and other assistance. A preliminary study has been made of the effect upon Canada of a new trade agreement between Australia and the United Kingdom. The United Kingdom introduced legislation to provide statutory authority for anti-dumping measures. Changes resulting from GATT negotiations were also made in the United Kingdom tariff.

Canadian trade and economic relations with the British West Indies were kept under close review. The emergence of the British West Indies as an independent federation within the Commonwealth will probably have major effects upon Canada's long-standing trading arrangements with that area. Various BWI territories took a number of tariff actions during the year which affected Canada's position under the Canada-British West Indies Trade Agreement, and consultations were held with these territories regarding this subject. The effects of industrialization and import restrictions in the BWI upon Canadian exports were also kept under close review. The Branch participated in discussions regarding possible changes in the administration of the BWI Trade Liberalization Plan. Towards the end of the year the Branch embarked upon a detailed review of the prospects for Canadian trade with the Caribbean area, including the British West Indies and Cuba.



Assistance was given to many firms that were developing new trade with the Commonwealth and to other firms that have encountered difficulties. This included assistance to firms that have branch plants in Canada and are planning to export from such plants. A number of branch plants were made responsible during the year for exports to the Commonwealth. The most important of these was in the motor vehicle industry. In addition, the Branch continued to assist firms having individual problems in their trade with Sterling Area countries. Attempts were made in particular to ameliorate the effect of import restrictions in a number of countries upon exports of individual Canadian products. These attempts were quite often successful.

The Branch also participated in general trade discussions with Commonwealth countries. Meetings of the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs were held in London in June. Visitors were also received from Australia, New Zealand, India and the British West Indies. Extensive material was prepared for use during these discussions.

## **United States**

Several events favourable to the development of Canadian export trade with the United States took place during the year. A successful tariff negotiation was concluded with that country. The United States passed legislation designed to simplify customs procedures. No changes occurred in United States agricultural import restrictions, nor were there any increases in rates of duty on items of importance to Canada. All investigations by United States agencies which might affect imports from Canada were kept under close review during the year. United States policies for the disposal aboard of surplus agricultural products were the subject of consultation.

During the first part of the year, members of the Branch participated in tariff negotiations with the United States under the General Agreement on Tariffs and Trade. The agreement which was reached resulted in a reduction of approximately fifteen per cent in the existing rates of duty on many Canadian exports to the United States. These reductions, the maximum permissible under existing United States legislation, are being brought into force in three stages, to be completed by June 30, 1958. The list of items affected includes a variety of chemical products such as synthetic rubber, vinyl acetate, vanillin, barytes and a number of chemical compounds; a number of metals, including crude aluminum and its alloys, aluminum bars and sheets, steel ingots and billets, and ferrosilicon; a few agricultural products, such as lettuce, turnips, hay and blueberries; some paper products such as book and printing paper, wrapping paper, and hanging paper; and a number of more highly processed products such as manufactures of aluminum, iron and steel, wood, and glass, and various types of machinery and electrical goods.

The United States Congress passed the Customs Simplification Act of 1956, containing an important amendment to the customs valuation law. This amendment will eliminate certain objectionable features of the old valuation procedure. Before the new law can be brought into force, however, the customs



administration is required to establish a list of articles to which the new valuation procedure will not apply.

Of immediate benefit to Canadian exporters was the authorization by the United States Commissioner of Customs for an experienced customs officer to visit Canadian exporters and to give advice and explanations with regard to difficulties encountered and procedure to be followed when entering goods through the United States Customs.

The United States Tariff Commission completed in 1956, under the escape clause provisions of the Trade Agreement Act, two investigations of direct interest to Canada. The Commission's investigation relating to imports of fluor-spar culminated in a split decision, which was referred to the President. He decided against taking any action to change the present rate of duty. The other investigation, which related to imports of fillets and blocks of frozen cod, haddock, and other groundfish, was of the utmost importance to Canada. It culminated in a unanimous recommendation to the President for the maximum increase in rates of duty. The President's decision, however, was against this recommendation, and no changes in rates of duty were made. These developments provided renewed evidence of the United States desire to strengthen the basis of cooperation in trade matters. In taking his last mentioned decision the President expressed doubt that the proposed duty increase would constitute a sound step in resolving the difficulties of the groundfish fishing industry of the United States. He stated that he was reluctant to impose a barrier against trade with friendly nations, and that his reluctance was heightened in this case because the nations concerned are not only close friends of the United States, but their economic strength is of strategic importance to the western world.

The Office of Defense Mobilization also held an investigation to determine whether imports of cordage and twine were threatening to impair the national security. This investigation is of particular importance to Canadian exporters of baler and binder twine. Up to the close of the year, however, the ODM had not made any recommendations for a change in the duty-free status of these products.

## Europe

European prosperity made further advances during 1956, resulting in some pressures on resources and prices. Several European countries implemented freer policies in an effort to reduce these pressures. New dollar import liberalization measures were taken by some countries and existing measures were expanded by others. Customs duties in nine European tariffs were reduced in tariff negotiations held in Geneva under GATT auspices in early 1956. In these negotiations Canada concluded limited tariff agreements with five European countries. Some European countries, particularly West Germany, also instituted unilateral tariff reductions on a temporary basis.

Economic consequences of events in the Middle East were beginning to be felt in Europe by the end of the year through shortages, particularly of oil, and through higher prices of certain commodities and shipping.

Progress was made in the preparation of a common customs tariff nomenclature under the auspices of the Customs Co-operation Council. Plans for European economic integration received a new impetus through work among six countries aimed at creating a common market. A related free trade area which may include the United Kingdom has also been proposed.

France and Norway implemented their first dollar liberalization measures. Five other countries (Austria, Denmark, West Germany, Italy and Sweden) expanded their lists of liberalized dollar imports, and practically all European countries maintained their existing dollar liberalization measures. Only Finland temporarily retrenched the freedom that had been accorded to certain imports from western countries. Work for the removal of import restrictions in other countries continued, both by bilateral discussions and through international organizations.

Trade agreements were negotiated in Ottawa with a delegation from the Union of Soviet Socialist Republics in February and with a Hungarian delegation in October. An agreement with the U.S.S.R. was signed on February 29. Its main provisions are an exchange of most-favoured-nation tariff treatment and a Russian undertaking to purchase a minimum of 400,000 metric tons of Canadian wheat annually during the three years of the agreement. Instruments ratifying this agreement were exchanged in Moscow on May 26. No trade agreement has been signed with Hungary.

## **Latin America**

Developments in Latin America over the past year have involved extensive work in keeping Canadian exporters informed of changes in tariffs, import controls and other regulations affecting trade. Tariff negotiations were conducted with several Latin American countries under the aegis of GATT. Also in 1956 Canada completed its trade agreement program in Latin America with the conclusion of an agreement with Honduras.

Associated with their continued industrial development several Latin American countries made a number of tariff adjustments. Colombia experienced serious balance of payments difficulties throughout the year, and this condition has involved numerous modifications in the import and exchange controls facing Canadian exporters to that market. Elsewhere in Latin America, however, 1956 saw more stable trading conditions. The new trading regime in Argentina was consolidated, and while trade continues to be severely restricted, long-run prospects have improved. No major changes were introduced in Brazil, but arrangements are currently being made for the introduction of a new tariff and a simplification of the import and exchange controls. The new measures are expected to be brought into effect in the course of 1957. Close attention was paid during the year to Brazilian trade in fish, a traditionally important item in Canada's trade with Brazil which has been seriously restricted by the Brazilian balance of payments controls on dollar imports. Every effort continues to be made to re-open this market to Canadian fish. The complex system of multiple exchange rates in Chile was replaced during 1956 by a free exchange system for

imports. This, together with other reforms, should make trade with Chile easier for Canadian exporters. In March Paraguay devalued its currency and simplified its exchange system. Late in the year Bolivia announced the removal of overall import and exchange controls on trade.

The Latin American republics of the Caribbean area — Cuba, Dominican Republic, Haiti, Mexico, the Central American republics and Venezuela — maintained their open dollar markets during 1956. Canadian exporters, while experiencing severe competition, continued to find valuable markets for many of their products which are subject to restricted entry into soft currency countries. During the 1956 tariff negotiations under GATT, new tariff agreements, relatively small in scope but none the less worth while, were concluded with Cuba and Haiti. The Canada-Venezuela trade agreement was renewed for another year from November 11, and as already mentioned, Canada's first trade agreement with Honduras was concluded in July. As a result of this latter agreement, a number of Canadian products, including wheat flour, which had formerly been accorded less favourable tariff treatment in Honduras than the same products of the United States, are now assured equal tariff treatment.

### **Asia and the Middle East**

Developments in various non-Commonwealth countries in Asia and the Middle East have contributed to a substantial increase in trade over the past year. Canadian exports to the area rose from \$116 million in 1955 to \$148 million for the same period of 1956.

By far the biggest market in this area is Japan. Canadian exports to Japan in 1956 reached \$128 million as compared with \$91 million for 1955. In 1956 Japan was Canada's fourth largest market in the world after the United States, the United Kingdom, and Germany. Developments in the trade were closely followed during the year, and with particular reference to the terms of the trade agreement Canada and Japan concluded in 1954.

With respect to Japan and other countries in the area, the Branch continued to provide the service of informing Canadian exporters on tariffs, import and exchange controls, documentation requirements and other regulations and requirements affecting trade. In addition, arrangements were concluded with Iran to ensure continuance of full most-favoured-nation treatment for Canadian products.

### **International Organizations**

Canada's participation in and association with various international and regional trade organizations involved extensive activities during 1956.

Under the General Agreement on Tariffs and Trade the fourth general round of multilateral tariff negotiations was held in Geneva, Switzerland, between January and May 1956. Twenty-two countries including Canada participated in these negotiations. During this conference, Canada concluded



new agreements with the United States and with 12 countries in Europe and Latin America. The regular business session of the Contracting Parties to GATT took place toward the end of the year. Major items of business included arrangements for the provisional accession of Switzerland to the General Agreement and for the first full-scale examination of balance of payments conditions since 1951. Canada and 12 other countries will constitute a committee which will be consulting during 1957 with each of the contracting parties that continue to maintain import restrictions for balance of payments reasons.

A major development in the trade field has been the British decision to enter into negotiations for a free trade area arrangement with the proposed customs union of the six countries of the Messina group, (Belgium, France, West Germany, Italy, Luxembourg, Netherlands) and with other European countries. Discussions on these schemes have been going on simultaneously in Brussels and Paris. The respective treaties are expected to be ready in the course of 1957.

In connection with Canada's association in the OEEC, the Branch participated in the preparation of information and instructions for the guidance of the Canadian delegation. Assistance was also provided in the drafting of instructions for the twenty-second session of the UN Economic and Social Council, which was held in the summer of 1956. The work of the UN agencies and other bodies engaged in trade and economic matters as they affect the flow of the international commerce was followed closely. The various activities of the NATO members have also involved participation in interdepartmental discussions and in the drafting of instructions for the Canadian delegation.

### **Commodity Activities**

The Branch followed closely developments in the commodity field which were relevant to the field of commercial policy. Background information was prepared for the Canadian Delegation to the UN Commission on International Commodity Trade which met in New York in May, and in Geneva in December. A member of the Branch was a delegate to the May meetings. This Branch collaborated with the Commodities Branch in briefing the Canadian delegation to the UN Sugar Conference held in New York in May and June and in Geneva in October. Members of the Branch in the GATT delegation participated in the consultations leading to the resolution on trade in primary commodities which was approved at the 11th Session of GATT.

## **Canadian Government Exhibition Commission**

**T**HE Canadian Government Exhibition Commission completed over 120 projects in 1956, and fourteen others were in various stages of planning and construction at the end of the year. Of the 120 projects completed, roughly 60 could be classed as display units, while the remainder represented a variety of work ranging from picture mounting and framing, the production of decorative maple leaves, coats-of-arms, etc., to the construction of a 45-foot model of HMCS Bonaventure.

The number of individual projects executed was about the same as in 1955, but the size of the Comptoir Suisse and the Universal and International Exhibition (Brussels 1958) projects necessitated increased output.

Exhibits and displays were shown abroad in thirteen different countries, namely Belgium, Brazil, Colombia, Cuba, France, Germany, Italy, Japan, Mexico, Netherlands, Switzerland, the United Kingdom, and the United States.

### **Comptoir Suisse**

In Switzerland, Canada was the guest of honour in 1956, and the only foreign country to be invited to participate, in the Comptoir Suisse, an important national trade fair held in September at Lausanne. A wide range of Canadian commodities (produced by some 106 companies and organizations) was displayed in a large pavilion placed at the disposal of the guest country. The central feature in the pavilion was a display of Canadian textiles and furs. The exhibit was designed and prefabricated in Ottawa, shipped to Switzerland, and there installed and mounted by members of the Commission's staff. Complete in every detail at the opening of the Fair, it received many favourable comments from Fair authorities and newspaper men, of whom 350 were among the visitors on the opening day.

The Canadian staff included officers of the Department of Trade and Commerce and the Department of Citizenship and Immigration, assistant trade commissioners from Brussels and Paris, and people from the Canadian Embassy in Berne. Through the kindness of the Commissioner of the Royal Canadian Mounted Police, four uniformed members of the Force were also made available for duty throughout the Fair.

Several receptions were held and the hospitality and consideration extended by the Swiss authorities made a deep impression on the Canadian participants. An official banquet tendered by the Swiss authorities was reciprocated by a Canadian luncheon. For this luncheon, fresh British Columbia salmon and apples were flown by Canadian Pacific Air Lines from Vancouver over the polar route by way of Amsterdam to Lausanne.

The whole enterprise was considered excellent publicity and trade promotion for Canada. Trade and general inquiries were satisfying. More than 900,000 people visited the Comptoir Suisse, and it is estimated that more than 600,000 of them passed through the Canadian pavilion.

### **Brussels Exhibition: 1958**

Results from the planning of the Brussels 1958 Universal and International Exhibition are already becoming apparent. All 23 committees which were established to advise on individual exhibits have handed in their reports. Ten exhibits have been approved, working drawings have been completed for seven, and four are actually under construction. The visuals of the other thirteen remain to be completed and approved.

The design of the building has been approved by the Cabinet. Construction of the Pavilion began on September 3rd, and steel work is scheduled for completion at the end of this year. Rt. Hon. C. D. Howe held a press conference on October 9th, 1956, at which a comprehensive account of Canada's plans for participation was given. Press reaction was favourable and widespread.

### **Service to other Departments**

The services of the Commission were used by many departments and agencies of government including the departments of Agriculture, Citizenship and Immigration, External Affairs, Finance, Labour, Mines and Technical Surveys, National Defence, National Health and Welfare, Northern Affairs and National Resources, Post Office, Public Printing and Stationery, and Trade and Commerce, as well as Atomic Energy of Canada Ltd., Canadian Patents and Development Ltd., the Civil Service Commission, the National Film Board and the National Gallery of Canada.

The staff of the London office continued fully occupied. As well as assisting at eight exhibits in Europe, the London staff were solely responsible for the erection, maintenance and dismantling of Canadian exhibits at the Shoe and Leather Fair at Olympia and the Manchester Building Trades Exhibition, and for the installation of the new permanent display at the London Building Centre.

Some eight displays were constructed from existing material, and packages of other display materials were loaned to 45 different centres in the United Kingdom. Refurbishing and maintenance were also carried out in the Canadian Court at the Imperial Institute and in the Glasgow Building Centre.

### **Space and Personnel**

To cope with increased activity, there were four additions to permanent staff. New space was taken at the south end of the building presently occupied, i.e. the basement and ground floor entered at 491 Bank Street, giving the Commission an additional 7600 square feet of floor space. The prevailing rate staff, which fluctuates in numbers, averaged about 34 persons.

Mr. J. R. Bothwell, the Commission's Purchasing Officer, retired after 35 years of service, and was honoured at a farewell gathering by a presentation from his colleagues.

The more important projects completed by the Commission in 1956 are listed in Appendix D.

## **International Economic and Technical Co-operation Division**

### **Colombo Plan Administration in Canada**

THE fiscal year 1955-56 was Canada's fifth year of participation in the Colombo Plan, and during it capital assistance was extended to two additional countries which had previously received only technical assistance. The list of countries now receiving both capital and technical assistance includes India, Pakistan, Ceylon, Burma and Cambodia.



To provide for planned activities during 1955-56 and to help overcome the critical shortage of trained personnel in these countries, Canada increased this year's general allotment of funds to \$26.4 million and arranged for a much enlarged technical assistance program.

While some capital projects entered into during the earlier stages of the Plan are now approaching completion or have been completed, new ones have been undertaken where the need has been established. Canada's participation now covers the following fields of endeavour:

- Hydro-electric and thermal generation, power distribution and irrigation
- Development and modernization of transport systems and harbour facilities
- Biological research and pest control
- Fisheries research, storage and processing of by-products
- Aerial surveys to determine physical resources and potentialities
- Provision of telecommunication equipment
- Atomic and deep therapy research and training of scientific personnel
- Building and equipping of technical schools and other training facilities
- Provision of commodities for the generation of counterpart funds.

The expanded technical assistance program now provides training in Canada in almost every major field of modern scientific and technical endeavour.

## **Capital Assistance**

### **India**

Canada has allocated approximately \$68 million to date for capital aid to India under the Colombo Plan. While this assistance covers many lines of endeavour, a particularly significant contribution is being made in the field of hydro-electric generation.

During this period engineers have started to build a large scale generating station at Kundah, where Canada's contribution will be approximately \$20 million. This will finance the design, the purchase of equipment required, and the engineering supervision at the site. To meet the initial requirements of this project, Canada set aside \$13 million in her 1955-56 program.

The Umtru Hydro-Electric Scheme is nearing completion. All equipment has been purchased and shipped, and construction and installation at the site is continuing. On undertaking to assist with this project, Canada agreed to design and supply all electrical generating equipment required. This will cost approximately \$1.2 million. In addition, Canada has set aside \$2.4 million for commodity shipments of copper and aluminum to create rupee counterpart funds required for local construction costs.

The Mayurakshi Hydro-Electric and Irrigation Scheme, started in 1953, progresses in a satisfactory manner. During the period under review, equipment has been manufactured and shipped and construction work at the site is proceeding according to schedule. Canada's contribution to this project, when complete, will be approximately \$2.5 million.

Although Canada set aside \$3 million during the previous fiscal year for the procurement of small Diesel generating units for the rural areas of India, some delay was experienced in meeting this requirement. Specifications have now, however, been prepared and orders will be placed for this equipment in the near future.

Aero-magnetic surveys were undertaken in the West Rajasthan area and in the Ganges Basin, at a cost of \$257,000, to determine the potential oil resources of these areas.

Locust control was assisted by the shipment of 25 radio-equipped three-ton trucks at a cost of \$136,000 and pest control received aid by the shipment of 2 Beaver aircraft, complete with spraying and dusting equipment, at a cost of \$146,000.

51 steam locomotives were also shipped during the period to assist the Indian railways. This covered the balance of the order for 120 of these locomotives provided for at a total cost of \$21.4 million.

## **Pakistan**

To aid in the economic development of Pakistan, capital assistance made available during the past year brought the total of Canada's contribution to this country to approximately \$48 million, the major portion of this sum being used for the development of hydro-electric power and irrigation.

The largest development in this field is the Warsak Hydro-Electric and Irrigation Scheme, which it is estimated will cost between fifty and sixty million dollars. Canada has agreed to provide some \$36 million of this total, her contributions being extended over a three to four year period. With the arrival of construction equipment and supervising Canadian personnel at the Warsak site, a start has been made on the underground drilling of the outlet end of the diversion tunnel.

To the Shadiwal Hydro-Electric Power Scheme, Canada is contributing the dewatering and construction equipment and the design and supply of the generating and powerhouse equipment, for which a sum of \$2.5 million has been set aside. While the site for the power plant is being prepared by the Pakistan Government, Canada has procured and shipped the construction equipment and has arranged for the design of the generating equipment, which is now on order.

While all equipment for the Ganges-Kobadak Thermal Electric Power Project was shipped during this period, installation was delayed to some extent by difficulties experienced by the Pakistan authorities in keeping local construction up to schedule.

To provide the power factor required for the generation of electricity, Canada purchased a complete thermal power unit from the Ontario Hydro-Electric Power Commission and arranged for it to be shipped to the Ganges-Kobadak site. The assistance provided by Canada for this project will cost approximately \$1.8 million.

During the period under report, Canada also entered into agreement with the Pakistan Government to provide the power equipment for the Goalpara (Khulna) Power Station.

As in the Ganges-Kobadak Project, the power component in this case is also of the thermal type. To provide for this a second thermal power plant was purchased from the Ontario Hydro-Electric Power Commission, at a cost of approximately \$2 million. This plant is now being dismantled and prepared for shipment to Pakistan.

In order to connect several existing power generating units in East Pakistan and thereby provide distribution to a much larger area, Canada undertook to assist in the Dacca-Chittagong Power Distribution Project and set aside \$4 million for this purpose.

The preliminary engineering survey has been completed, and work is now proceeding on the preparation of final specifications and the procurement of necessary equipment and materials.

The construction and equipping of the cement plant at Daud Khel was completed during the year. Arrangements were made to conduct the necessary trial runs preparatory to the eventual turning-over of this plant to the Pakistan authorities.

By agreement entered into with Pakistan for this project, Canada undertook to contribute all equipment and machinery required. The plant was designed and built by a consortium of Canadian engineering and manufacturing companies, known for this purpose as Canadian Overseas Projects Limited. The Canadian contribution in this case is approximately \$6.5 million.

The aerial survey of Pakistan, started originally in 1953, has been progressively developed in area and scope. When the work now being undertaken is completed, a total of 302,500 square miles of territory will have been surveyed. Of this, 85,000 square miles will have been re-surveyed specifically for land use purposes. Canada's contribution to this soils survey has been a little over \$1 million, and the total cost to date of the overall survey is approximately \$3 million.

## **Ceylon**

Approximately \$8 million has now been expended on capital aid to Ceylon under the Canadian Colombo Plan program. To help determine the latent economic potentialities of that country, Canada agreed to set aside \$500,000 out of 1955-56 funds as an initial allotment for an aerial resources survey. Photographic work on this survey has now been completed and compilation of the data obtained is in progress.

To support funds already established for the purchase of equipment for the School of Practical Technology at Katubedde, Canada shipped \$500,000 worth of flour to Ceylon to generate counterpart funds required to meet local construction costs of the school building. Equipment shipped to date, such as ducting for the dust extraction system, is integral with the construction of the building.



When the Portable Irrigation Systems Project was undertaken in the 1953-54 program, it was stipulated that if the first 25 units proved to be satisfactory-additional units would be supplied. As very favourable reports have been received, a further shipment of 18 units was made during this period. Canada's contribution in this field of endeavour is now over \$100,000.

Following completion of an engineering survey for the Gal Oya Transmission Lines Project, started in 1953, all plans and specifications have now been prepared and all materials have been ordered and shipped and are now at the site. The erection of poles and installation of insulators and conductors is progressing and is now about 60% complete. Canada's contribution to this project is now \$600,000.

Following a preliminary engineering survey of the requirements for the Ratmalana airport, it was decided that Canada would meet the telecommunication equipment requirement, at a cost of \$285,000. Specifications for this equipment have been developed and preparations are now being made to place contracts.

An additional amount of \$180,000 was allocated to the Colombo Harbour Equipment Project during this year. Orders were placed for 9 Diesel electric level luffing cranes, and shipment of this equipment is anticipated early in 1957.

To assist the Government of Ceylon in the development of the Gal Oya area, where 250,000 acres of dry-zone and 50,000 acres of rice-growing land is to be developed for agricultural purposes, Canada undertook to supply 20 light-duty trucks and 12 pumps for irrigation purposes, with associated piping and spraying equipment, at a cost of \$200,000. Orders for this equipment have been placed, and shipments started early in 1956.

To continue the support of the Fisheries Development Scheme, originally undertaken by Canada in 1953, \$80,000 was set aside under the 1955-56 program. Progress continues in the research field under Canadian guidance. Construction of the refrigeration and by-products building was completed during the period and a start was made on the installation of the equipment. Canada's contribution to this Scheme to date amounts to \$1.5 million.

As a further contribution to the modernization of Ceylon's railway systems, 3 more Diesel locomotives were shipped during this period, making a total of 8 shipped to date at a cost of \$1.5 million.

To create counterpart funds required to meet local costs of other projects in Ceylon, Canada made the following additional flour shipments during the period:

- (a) \$180,000 worth for the enlargement of the School of Co-Operation at Polgolla.
- (b) \$200,000 worth for the further development of rural roads.
- (c) \$400,000 worth for the fisheries harbour at Mutwal.

## **Burma**

While other agencies are making a complete survey of Burma to determine the best means of assisting that country to recover and develop her economic resources, Canada directed her initial contribution towards the field of education.

To support this effort, which was started last year under the Technical Co-operation Scheme, \$46,000 was set aside this year to provide for required text books and workshop training equipment. An order was placed for a cobalt therapy bomb to provide training for Burmese medical personnel and treatment for cancer patients.

## **Cambodia**

Since Cambodia, like Burma, is experiencing a critical shortage of trained specialists and technicians, Canada's assistance has been directed to the fields of education and training. To assist in this work 2 mobile veterinary clinics were shipped during 1955, at a cost of \$15,000, to provide for an extension of the veterinary facilities in rural areas and to assist generally in training veterinary staffs in the field.

### **Technical Co-operation Service**

Over the fiscal year 1955-56, technical assistance arranged by the Division continued to show the steady expansion anticipated in earlier reports. Expenditure on experts and trainees, including some miscellaneous costs, rose to over \$900,000, an increase of about \$245,000 over comparable figures for the preceding year. Indications are that the current year 1956-57 will show a further increase of about the same size.

The increase in expenditure has been reflected especially in the numbers of trainees received in Canada through the Colombo Plan Technical Co-operation Scheme and the United Nations Expanded Technical Assistance Program. During 1955-56, 223 trainees from all sources arrived in Canada, as compared to 124 in the previous year. During the first six months of 1956-57, 228 trainees came to this country. The number of Colombo Plan trainees included in these totals has also increased from 85 in 1954-55 to 151 in 1955-56 and 189 in the first six months of 1956-57. At any one time there are now over 200 trainees in Canada, and in October, 1956, we welcomed the thousandth to arrive here.

A small increase in staff has been required by the larger program.

Over the period under review, the number of Canadian experts abroad at any one time has remained relatively stable, at about 35 for the Colombo Plan Technical Co-operation Scheme, and about 80 for the United Nations and specialized agencies.

In earlier reports, some mention has been made of equipment supplied under the Technical Co-operation Scheme for training and research in South-East Asia. This activity has now been grouped with capital assistance and appears in the preceding section. Many of the items listed there meet the definition of "contributing to training and research"; obvious examples are the

technical school and the school of co-operation in Ceylon, the atomic reactor in India and the workshop training equipment for Burma.

## **Experts**

By the end of 1956, 42 experts were serving in seven different countries of South and South-East Asia, 15 others finished their assignments during the year, and plans had been completed for 11 more to go abroad early in 1957. About 80 Canadians also served abroad during 1956 as technical experts with the United Nations and the various specialized agencies.

In addition to the projects mentioned in earlier reports, experts' assignments during the period under review included advising on electric power development in Burma, lecturing in dentistry in Singapore, and helping with co-operatives development in India and Cambodia. A small industries specialist and a public health engineer went to India, an irrigation engineer to Ceylon, and a new group of technical instructors to Malaya. Early in 1957, a sawmill expert will be going to Laos, and a technical librarian to Ceylon.

Arrangements were also completed by the end of 1956 for a medical mission to visit India during January, February, and March of 1957. This mission, under the leadership of Dr. Wilder Penfield, Director of the Montreal Neurological Institute, includes two teams of specialists, one on tuberculosis and the other on general medicine. It is expected that Dr. Penfield will pay brief visits to Pakistan and Ceylon, as well as to India.

## **Trainees**

During the period under review, the general features of the training program remained the same as in previous years. Fellows and scholars under Colombo Plan sponsorship came from twelve Asian countries, while much of the rest of the world was represented through the United Nations program. Fields of study ranged widely over scientific and technical knowledge; agriculture, medicine, industrial development, and public administration were most important.

Since the publication of the previous annual report, increasing emphasis has been placed on providing training facilities for French-speaking students from Cambodia, Laos and Vietnam, and by the end of 1956, 65 people from these countries had arrived in Canada. The largest single group included 37 technicians from Vietnam who spent the summer of 1956 learning about the operation and maintenance of tractors, agricultural machinery, and road-building machinery, under the auspices of the Faculty of Agriculture of Laval University.

Another large group of trainees arrived from India in August, 1956, in connection with the Canada-India Reactor Project. These scientists and technicians will spend about a year at Chalk River learning about the design and the techniques of operation of an atomic reactor.

In the period under review, as from the beginning of the Technical Co-operation Scheme in 1951, the effectiveness of Canadian training programs has benefited very largely from the constructive advice and willing co-operation of



Canadian universities, business and industrial concerns, provincial, municipal and federal government departments, and many other public and private agencies, and individuals. The help that has been received from all these sources is greatly appreciated. Without the very valuable service that they provide, usually without payment, it would not be possible to operate an effective training program in Canada.

## **Information Branch**

**T**RADER promotion is the primary responsibility of the Information Branch, which is closely associated with other branches and divisions of this Department in stimulating the demand for Canadian products in other lands. Its secondary function is the creation of a better understanding of Canada, its industrial development, commercial progress and cultural advancement. In this connection, interest is aroused in Canada as a land of opportunity for settlers and as a desirable country for the investment of capital.

Canadian businessmen are provided with information concerning economic conditions in other lands through the pages of "Foreign Trade" and "Commerce Extérieur", which publish many articles by Canadian trade commissioners. These are supported by numerous illustrations and by surveys of special interest to firms whose products can secure entry to the markets under review. A special market survey of Venezuela was published during the year, as the first in a new series now in preparation.

All media are utilized in providing Canadians with information of assistance in securing a larger share of the export market, and in conveying to people in other lands a fuller appreciation of Canada as a desirable and dependable source of supply. Daily newspapers and trade publications are supplied with facts, figures, and photographs of interest to their readers. Material is provided for broadcasting to foreign lands directly from Canada or through trade commissioners on the spot. Films are furnished to trade offices for use in stimulating the sale of particular products or in arousing interest in Canada as a growing industrial nation.

Considerable information, much of it prepared in the Branch, is made available to trade commissioners for distribution by them in their respective territories, mostly to government officials, businessmen and the press. Much of this is also distributed at international trade fairs in which Canada participates. Some of this material is used for promotional campaigns, though its prime purpose is to provide businessmen with a better understanding of Canada as a source of supply, as a market, and as a country in which they might well consider the establishment of branch plants or the investment of capital.

The co-operation of other government departments is sought in providing trade commissioners with literature suitable for distribution at trade fairs. An outstanding example was the Comptoir Suisse, at which Canada was the guest of honour last September and the only foreign country to participate in that important Swiss exhibition. Some 600,000 persons passed through

the Canadian Pavilion in sixteen days, and a large proportion of these visitors sought literature that would provide them with a clear conception of Canada.

In addition to a Catalogue of Canadian Products at the Comptoir Suisse, and a "Canada" folder, both prepared in the Branch, the Department of External Affairs provided fact sheets and reference papers in three languages. These were distributed before and during the fair, together with special press releases, and secured considerable publicity throughout Switzerland. The Department of Citizenship and Immigration made available an attractive brochure that stimulated interest in Canada from a commercial and cultural point of view as well as describing its characteristics as a land of settlement. "Canada 1956", produced by the Dominion Bureau of Statistics, was supplied for selective distribution, more particularly to the press, together with other publications of a statistical character.

Literature was also provided by the Department of Agriculture, the Canadian Broadcasting Corporation, Atomic Energy of Canada Limited, the Canadian Government Travel Bureau, the National Design Centre, the Department of Fisheries, the Department of Mines and Technical Surveys, the National Film Board, the Department of Northern Affairs and National Resources, the Bureau of Current Affairs of the Department of National Defence, the Post Office Department and the St. Lawrence Seaway Authority.

Requests for a wide variety of information, received from trade commissioners, can frequently be met with literature obtainable from departments other than Trade and Commerce. The fact that so many articles based on information contained in literature distributed to trade commissioners are published more than justifies the time and effort expended. The same applies to photographs of a trade promotional character mailed to trade commissioners for distribution to selected publications.

### **Trade Fairs and Related Publications**

The Information Branch is actively engaged in the promotion of trade through displays, including government exhibits at international trade fairs and in the Canadian Showroom at Rockefeller Centre, New York, City, with all forms of attendant publicity. Descriptions and photographs of displays are distributed to daily newspapers and trade publications at home and abroad, in an effort to secure the widest possible publicity for Canada from such presentations.

The trade fair program of the Department<sup>(1)</sup> is co-ordinated by an Advisory Committee on Trade Fairs Abroad of which the Director of the Information Branch is Chairman. The Committee is composed of representatives of various trade promotion branches and reflects their combined judgment on the selection of fairs and the character of the exhibits which will, in each case, be most effective in promoting the development and expansion of Canadian trade. It has the benefit of the advice of specialists in all the various government departments concerned with the development of foreign markets.

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<sup>(1)</sup>For additional details concerning the Department's participation in trade fairs abroad, see under "Commodities Branch" and "Canadian Government Exhibition Commission".

This advisory committee held fifteen meetings during the year. Besides discussing details of the 1956 program, it brought forward recommendations for participating in the following trade fairs in 1957: Royal Netherlands Industries Fair, Utrecht, April 2 - 11; United States World Trade Fair, New York, April 14 - 27; Brussels International Trade Fair, April 27 - May 12; German Industries Fair, Hannover, April 28 - May 7; Poznan International Trade Fair, June 15 - 23; Chicagoland Fair, June 28 - July 14; Vienna International Trade Fair, September 8 - 15, and Colombia International Trade Fair, Bogotá, November 22 - December 8. Plans were also considered for participation at industry shows featuring lumber and building products, winter sporting goods, and shoes. The following displays in the Canadian Showroom at Rockefeller Center have been approved for 1957: rubber goods, wallpaper, church furniture, fish products; and articles winning awards of the National Design Council.

Among the publications prepared by this Branch for distribution at trade fairs abroad were six editions of the "Canada" folder: English, Japanese, French, German, Italian, and Spanish. Six promotional booklets pertaining to presentations in the Canadian Showroom at Rockefeller Centre were mailed to prospective buyers in New York and other cities in the United States.

An outstanding fur display in the Canadian Pavilion at the Comptoir Suisse was supported by an attractive fur portfolio, copies of which were distributed to dealers visiting the Canadian stand. Copies were made available to trade commissioners for use in their respective territories, and were mailed to selected firms in an effort to attract a larger attendance of foreign buyers at Canadian fur auctions. One firm in Lausanne mailed colour plates to a thousand of its customers in a special folder, with the legend "Canada for Fine Furs". Co-operative publicity of this nature is encouraged.

A brochure concerning the Canadian chemical industry was prepared for distribution at the Salon de la Chimie, held in Paris in November, and reprints of an article on the same subject, prepared for reproduction in a special issue of "Chimie et Industrie", were obtained. Copies of these were also made available to trade commissioners in other French-speaking countries, to assist them in promoting the sale of Canadian chemicals and chemical products.

Efforts were made to assist the Canadian lumber industry in securing a wider market in the United Kingdom. Four thousand copies of a brochure entitled "Frame Construction with Canadian Timbers" were printed for distribution by the Canadian Commercial Counsellor (Timber) in London to British architects and builders, and at shows featuring building materials. At the invitation of the Society for the Preservation of the "Cutty Sark", arrangements were made for Canada to supply laminated white pine blocks from which a new figurehead could be carved for this famous tea clipper. These were made available through the co-operation of the Canadian Lumbermen's Association and the Forest Products Laboratories of Canada, and shipped to London by the Cunard Steamship Company. It is expected that considerable publicity for Canadian white pine lumber will be secured as a result of this gift.



## Advertising

The lumber campaign in the United Kingdom was supported by advertising in publications pertaining to the building trades, while efforts to stimulate the demand for Canadian wheat and flour were supported by advertisements in publications circulating among millers and bakers.

Advertising used in directing attention to Canada's participation in trade fairs abroad was restricted for the most part to trade publications pertaining to the products displayed. These included chemicals at the Salon de la Chimie in Paris; timber at the Royal Netherlands Industries Fair in Utrecht; leather at the London Shoe and Leather Fair; wheat and flour at the Japan International Trade Fair in Osaka; food products at the Brussels International Trade Fair; and chemicals at the German Industries Fair in Hannover. Attention was also directed to the display of sporting goods in the Canadian Showroom at Rockefeller Centre, New York City.

By reason of the fact that Canada was guest of honour at the Comptoir Suisse, a number of Swiss newspapers produced special issues relating to Canada. Advantage was taken of these to direct the attention of prospective visitors to the wide variety of Canadian products that might be examined in the Canadian Pavilion.

The story of Canada as a desirable source of supply and reliable exporter was carried to prospective purchasers by advertising in the Canadian Trade Index, the American Potato Yearbook, and the West Indies and Caribbean Year Book.

### **"Foreign Trade" and "Commerce Extérieur"**

The departmental magazine, "Foreign Trade", and its French-language counterpart, "Commerce Extérieur", continued to provide Canadian businessmen with a steady flow of information concerning foreign markets in which their products are competitive. Articles on the technical aspects of export trade written by specialists in various fields, both inside and outside the Department, were published during the year. When this series is completed in March 1957, the articles will be reprinted in booklet form to meet the widespread demand for information of this nature that has manifested itself since the "ABC of Canadian Export Trade" went out of print.

Reports have been published throughout the year on markets in many lands for a wide variety of Canadian products, such as Christmas trees in the United States, nylon fish nets in Peru, mining machinery in Cuba, certified seed potatoes in Greece, leather in South Africa, and men's shirts in the Netherlands. Special features included a survey of Latin American markets for purebred cattle, and world markets for plastic materials of Canadian origin. Surveys of business conditions in the Middle East, the Far East, the Commonwealth, Europe, and Latin America were also published.

In an effort to assist Canadian businessmen in obtaining a larger share of the United States market, a number of articles on problems and trading oppor-

tunities in that country were published. One that aroused much interest dealt with the firms and associations in New York City that purchase goods for foreign governments and companies overseas. Readers were offered a directory of 278 such organizations and agents, compiled by the New York office of the Department, which discussed also the best method of approach in directing attention to Canada as a source of supply.

Efforts were made during the year to widen the paid circulation of these publications. The circulation of "Foreign Trade" increased by seven per cent, but that of "Commerce Extérieur" declined by 18 per cent. In co-operation with the Queen's Printer, a new mailing piece was designed and sent to prospective subscribers, and promotion letters were mailed to special groups. One was directed to senior students in commerce, economics and international trade at all Canadian universities, and enclosed with a sample copy of the magazine. A special reduction in the subscription rate for students met with a favourable response.

Continued interest was shown in the monthly feature entitled "Canada in Foreign Markets", which is a pictorial presentation illustrating the use of Canadian products in other lands. The back covers of both publications were used for advertisements featuring the Department's services to Canadian traders, forthcoming special features, a recruiting campaign for Foreign Service Officers, and the services obtainable from other government agencies such as Atomic Energy of Canada Limited and the Export Credits Insurance Corporation.

### **Press Correspondents**

Services to newspaper and other correspondents seeking facts and figures for the preparation of articles on commercial and industrial developments in Canada continued in great demand throughout the year. Requests for authoritative information increase as this country becomes a more important source of news, particularly for those interested in the investment of funds in new projects. Correspondents of many foreign publications were provided with a wide range and variety of information.

The Branch issues departmental press releases and copies of statements and addresses by the Minister. These are also supplied to trade commissioners as background information for distribution to publications in their areas. Messages were prepared for a number of foreign publications planning the production of special issues or sections on Canada. A newsletter based on articles in "Foreign Trade" is compiled and distributed to Canadian daily and weekly newspapers.

### **Films**

Canadian trade commissioners are using films to an ever increasing extent as an aid to their trade promotional activities, and the Branch is actively engaged in securing suitable moving pictures for their use. A total of 107 films produced for private Canadian firms were screened during the year for the information and comments of officers of the Department, and 78 were considered

suitable for use by trade commissioners. Forty-seven other films were reviewed during the year. A film catalogue, listing and reviewing available pictures with particulars of their length, colour, and the languages in which prints can be obtained, is being prepared for the use of trade commissioners. Prints of a general film on Canada, entitled "A New Future Lies North", were purchased for distribution to offices of the department in other lands, and the Branch is collaborating with the National Film Board in producing a film to illustrate Canadian industry and trade.

In co-operation with Ciné-Journal Suisse and the National Film Board, a film portraying Canada's participation at the Comptoir Suisse was made. This was cut and suitably captioned in Montreal, and prints were distributed to the principal newsreel companies in New York. This material was incorporated in prints distributed in Canada and the United States, and one company prepared a special theatrical release for use in Germany, Japan, Mexico, India, Ceylon, and Indonesia.

### **Radio Broadcasting and Television**

Information suitable for incorporation in radio and television programs is made available to the Canadian Broadcasting Corporation, and the Corporation's International Service distributes this in disc form to foreign stations. Scripts of the C.B.C.'s "Industrial and Commercial Review", as beamed to Latin America by short wave, are mailed to trade commissioners in that area for distribution to the local press. Special programs during the year included visits to Canada of trade delegations from the U.S.S.R., Haiti, and Nigeria. Film coverage and tape recordings secured during the visit of the Right Hon. C. D. Howe to Japan in October and November were made available to "CBC News Magazine".

During Canada's participation in the Comptoir Suisse, two one-hour television programs were prepared for use by the French and German networks in Switzerland. Each incorporated a message from the Prime Minister of Canada, a half-hour tour of the Canadian Pavilion, a film portraying Canada from coast to coast, and Canadian folk songs. Interviews with trade fair and other officials were recorded by the Geneva representative of the CBC for use over the French network of the CBC, and recordings of events during Canada-Swiss Day were made by the English and French representatives of the CBC in Geneva. A well-known CBC commentator visited Lausanne during the trade fair and recorded four programs for use over Canadian networks on his return home. The International Service of the CBC made available a number of short programs for use by radio stations in Switzerland before and during the Comptoir Suisse, some of the basic material for which was supplied by the Information Branch.

### **Photographs**

Photographs of Canadian exhibits in international trade fairs were distributed to firms participating in the various displays, in order to provide them with



an indication of the manner in which their respective products were exhibited. Letters expressing appreciation of this service enabled the department to judge the extent to which its promotional and public relations efforts have the support of participating firms. As more than one hundred firms were represented in the Canadian Pavilion at the Comptoir Suisse, reactions were obtained from a wider section of industry than is usually the case.

Many photographs provided through the National Film Board and by industry were made available for distribution to press correspondents attending Canadian displays at international trade fairs. These served to illustrate articles concerning the various exhibits and supported the general publicity campaigns. Others were supplied to trade commissioners for distribution to local newspapers and trade publications, thereby attracting attention to the products concerned and to Canada in general as a source of supply.

Through the efforts of the National Film Board, photo features were supplied in mat release form to selected newspapers directly and through trade commissioners, as some publications do not care to incur the cost of preparing electros from photographs. Connections established in Switzerland during the Comptoir Suisse have opened avenues to continuing Canadian publicity through this medium.

By arrangement with the Watchmakers of Switzerland, a number of excellent photographs of models wearing Canadian furs and Swiss watches were taken at the Comptoir Suisse. These were made available to a number of Canadian publications and to magazines in other countries.

### **Other Activities**

In co-operation with the Department of External Affairs and the Dominion Bureau of Statistics, a Spanish edition of the "Canada Handbook" was prepared for use in Spanish-speaking countries. Although material in "Canada 1956" was used as a basis for this publication, the statistics were compiled in a manner that will permit of their continued use over a period of five years. A start has been made on a Portuguese-language edition of the "Canada Handbook".

Assistance was given to the Canadian Wheat Board in publicizing the visit to Canada of grain delegations from Belgium, the Netherlands, and Norway. Press releases and other information were issued on behalf of the Northern Ontario Pipe Line Crown Corporation.

The Information Branch also assisted the Trade Commissioner Service in its recruiting campaign by the production of a booklet on a career in the service for distribution to prospective candidates.

The Director, who is a member of the organization committee, attended the tenth Conference on Canadian Information Abroad. This organization is an informal group of Canadian businessmen and government officials concerned with advertising and public relations abroad, and has been found a useful forum for the exchange of ideas. He also attended the annual meetings of the Canadian Manufacturers' Association, the Canadian Exporters Association, and the International Advertising Association.

## Industrial Development Branch

THE Industrial Development Branch was established in 1946 for the purpose of co-ordinating federal government activities in the field of industrial development. Its broad terms of reference include advising and assisting companies outside Canada in planning the establishment of plants in this country, and assisting Canadian firms with their expansion problems. In carrying out these assignments, the Branch works closely with other governmental and industrial development agencies.

In 1956, the Branch received direct inquiries from 430 firms in 27 countries which showed an interest in establishing manufacturing plants in Canada. The majority of these inquiries required specialized and detailed surveys. During the past ten years, the number of Canadian business men seeking advice concerning present or proposed manufacturing operations has averaged over 600 yearly. Foreign business visitors during the same period have averaged nearly 500 a year.

### New Establishments

A record was established in 1956 in the number of firms from other countries establishing manufacturing plants in Canada or completing arrangements to do so. These included 113 from the United States, 18 from the United Kingdom, and 20 from other countries.

A few examples out of the many companies assisted by this Branch in establishing plants in Canada will illustrate the wide range of products involved. Avery Adhesive Label Corp. (Canada) Limited, a branch of a Chicago firm, established a plant at Toronto, to produce pressure sensitive labels. Prettyware Limited, a subsidiary of an Ohio firm, set up an establishment in Toronto to produce rubber mats. Bates Textile Manufacturing Company, Limited, a branch of a Lewiston, Maine, company, constructed a plant at Waterloo, Quebec, to manufacture bedspreads. Robert Hildebrand, of Germany, established Robert Hildebrand (Canada) Limited, at Weston, Ontario, to produce drying equipment for the lumber industry. Mannesman Tube Company Limited, a branch of Mannesman A. G. of Dusseldorf, Germany, are setting up at Sault Ste. Marie, Ontario, to manufacture seamless steel pipe. Lafarge Cement of North America Ltd., a branch of *Société Anonyme des Chaux et Ciments de Lafarge et du Teil*, of Paris, France, are constructing a cement plant at Lulu Island, B.C. American Sterilizer Company of Canada Limited, a branch of an Erie, Pennsylvania firm of the same name, have established a plant at Brampton, Ontario, for the production of sterilizers, surgical lights, operating tables, etc. Calumet & Hecla of Canada Limited, a branch of a Detroit, Michigan, firm, have purchased land in London, Ontario, for the erection of a plant to produce non-ferrous tubing. The Gorman-Rupp Company of Mansfield, Ohio, have purchased land at St. Thomas, Ontario, for a plant to produce pumps.

The Branch took an active part in the eighth annual conference of the Provincial Governments' Trade and Industry Council held in Charlottetown.

In addition, officers of the Branch participated actively in a number of special meetings organized for the promotion of industrial development.

### **Publications**

The "Small Business Manual" prepared by the Branch in 1955 was printed early in 1956. An exceptionally large demand has developed for both the English and the French editions of the booklet. Seven chapters of the Branch's brochure "Doing Business in Canada" were revised during the year. There was a continuing demand for two other publications issued by the Branch, namely, "Financing New Industries in Canada", and "Canadian Industrial Development Manual".

The Industrial Development Bulletin, which is issued regularly in English and French, gives information, in the main, on new products developed by foreign organizations and available for manufacture in Canada under licencing and royalty arrangements. The Bulletin has a wide circulation, and extensive publicity is given by the technical and financial press to the items contained in it. The Bulletin's circulation list now includes some 400 Canadian manufacturers seeking new products to round out their production.

The Branch maintains confidential records of Canadian firms that might consider the sale of their assets, and concerns wishing to sell a minority share. While these sales, in the initial stages, do not result in new brick and mortar construction, they are important to the Canadian economy as the new owners usually bring with them new ideas and new skills.

### **Special Studies**

The Branch continued its work on special import studies. One phase of this consists of a continuing survey of composite import items, some of the most important of which are manufactures of iron and steel, non-ferrous metals, rubber, wood and paper products, chemicals, machinery, electrical apparatus, glass, leather, plastics, and tools. These surveys provide comparative data that serve as bases for more intensive studies of individual items. Another field of investigation consists of developing import information in answer to individual requests. These involve the screening of imports of a specific product for a specific month. Two extensive import studies were undertaken and completed in 1956 for the Primary Textiles Institute.

Information on Canadian municipalities was brought up to date in 1956. The Branch now has detailed information on all municipalities in this country. This material is of considerable value to foreign firms seeking to establish manufacturing plants in Canada and to Canadian companies planning to expand.

### **Relations with other Agencies**

The Branch acts in an advisory capacity to the Immigration Branch of the Department of Citizenship and Immigration on the admission of individuals, other than those from Commonwealth countries and the United States, who wish to establish new industries in Canada. Liaison was also maintained with



various industrial development agencies in Canada, including provincial and municipal agencies, railways, banks, power companies, boards of trade, chambers of commerce, and the Canadian Manufacturers' Association.

### Standards Branch

A normal increase in the number of electricity and gas meters, weighing and measuring devices, in use in Canada, took place in 1956. Inspections, in general, were carried out satisfactorily. With an increasing tendency to greater accuracy in all phases of commercial measurement, the devices in use are becoming more complex. An additional work load will be involved in the gas testing field with the extension of natural gas services in many areas.

The laboratory again maintained a heavy work load in the matter of approvals and calibrating of governmental and industrial standards.

The inspection duties of the two main services were carried out at no net charge against the Treasury.

### Electricity Inspection Act and Gas Inspection Act

In 1956, meter inspections were approximately 4% higher than in the previous year, with a corresponding increase in revenue. New meters, both electricity and gas, accounted for most of the increase, reverifications remaining substantially the same.

#### Electricity Meters and Gas Meters Tested

	1955	1956
New electricity meters tested.....	342,110	358,845
Electricity meters reverified.....	641,454	642,546
Total electricity meters tested.....	983,564	1,001,391
New gas meters tested.....	58,455	73,238
Gas meters reverified.....	142,007	143,667
Total gas meters tested.....	200,462	216,905
Grand total.....	1,184,026	1,218,296

#### Number of Meters in Use

	1955	1956
Number of electricity meters in use.....	4,175,534	4,380,889
Number of gas meters in use.....	907,736	927,364
Total number of meters in use.....	5,083,270	5,308,253

NOTE: A statement of revenue and expenditure covering electricity and gas operations for the fiscal year ended March 31, 1956 is appended to this chapter as Schedule "A", (page 73.)

### Exportation of Power and Fluids and Importation of Gas Act

This Act prohibits the export from Canada, without a licence, of electrical energy or piped fluids, which include natural gas, and in addition prohibits the import into Canada, without a licence, of natural or other hydrocarbon gases.

The volume of natural gas exported during the year was substantially the same as in the previous year for the two companies exporting. A third licenced company expects to be exporting by late 1957. All gas exports are in accordance with authorizations of the Petroleum and Natural Gas Conservation Board of Alberta, and the Federal Government.

The volumes of natural gas imported were well within the amounts authorized. A comparison with the previous year is not possible, for import did not commence on a licenced basis until late in 1955. All four companies are now importing, the fourth commencing in November 1956.

Oil exports continued via the pipe lines of the Interprovincial Pipe Line Company and the Trans Mountain Oil Pipe Line Company. Sixteen companies are exporting, five more than in the previous year.

All twenty licences in effect during 1955 for the export of electrical energy were renewed for 1956.

### Exportation of Electricity and Fluids and Importation of Gas

	1955	1956
Kilowatthours of electric energy generated for use in Canada by exporting companies.....	28,642,081,201	31,434,841,849
Kilowatthours of electric energy exported.....	4,433,460,117	5,103,669,175
Cubic feet of natural gas exported.....	11,356,590,000	10,828,338,500
Cubic feet of natural gas imported.....	1,671,700,240	17,169,072,720
Number of export licences issued:		
Electric.....	20	20
Gas.....	3	1 <sup>1</sup>
Crude oil.....	11	18 <sup>2</sup>
Number of gas import licences issued.....	4	1 <sup>3</sup>
Licence fees.....	\$950.00	.. \$975.00
Export tax collected (electricity).....	\$1,330,038.09	\$1,531,100.72

### Weights and Measures Act

Inspections showed an increase over the previous year. There appears to be satisfactory adherence to the prepackaging requirements of the Act. Approvals granted for new types of equipment were above 1955, with 48 authorizations issued for 193 types of devices in 310 different models.

A mobile volumetric test truck was put into service last spring and is proving satisfactory. This unit fills an outstanding need for testing large capacity meters, and has been the subject of favourable comment from the petroleum industry. The heavy scale testing unit again completed a full year's inspection in Ontario and Quebec.

Boats were chartered in Newfoundland and on the West Coast to inspect equipment in isolated coastal areas.

<sup>(1)</sup>This is a two year licence, previously on a yearly basis.

<sup>(2)</sup>Two of these licences were issued before March 31, 1956 and required renewal on April 1, 1956.

<sup>(3)</sup>Amended licence.

## Weighing and Measuring Devices Tested

	1955	1956
Number of weighing machines (including scales of all kinds).....	241,263	235,716
Number of measuring machines (liquids).....	87,228	92,452
Other weights.....	135,705	129,202
Other measures.....	19,735	20,733

## Inspections Made and Warnings Issued

	1955	1956
Items of prepackaged goods inspected.....	344,673	252,276
Warnings issued.....	2,736	2,207
Special checks on traders' scales.....	37,675	25,904
Warnings issued.....	720	739
Warnings issued re net weight markings.....	2,150	1,890
Prosecutions instituted.....	37	29

NOTE: A statement of revenue and expenditure covering Weights and Measures operations for the fiscal year ended March 31, 1956 is appended as Schedule "B", (page 74).

## Standards Laboratory

During 1956 the work continued at the same level as in previous years. New quarters will be available in the coming year, and considerable planning has been done to provide up-to-date equipment and to recruit personnel for work which has had to be deferred by reason of lack of space.

Despite the pressure of regular work and planning, the quality of work turned out has improved. This was particularly true of the calibration of rotating standards, where new methods of polishing pivots and jewels have been instituted. Weights and Measures standards were in many instances given new cases, and greater attention has been given to reconditioning before returning them to the field.

The program of re-calibration of standard gas meter provers was continued and completed in the provinces of Ontario and Quebec.

Following is a summary of work done during 1956, with a comparison with the previous year:

### A. Electricity and Gas

	1955	1956
Verification of field standards.....	267	319
Verification of commercial instruments.....	96	74
New equipment tested.....	15	14
New equipment manufactured.....	2	10
Equipment tested for approval of type.....	279	'161

### B. Weights and Measures

	1955	1956
Laboratory standards tested.....	188	93
Field reference standards tested.....	844	610
Field working standards tested.....	3,011	3,144
Verifications for commercial firms, government departments and scientific works:		
Calibration of dairy glassware.....	43,215	41,053
Others.....	456	689
Approvals of apparatus reports.....	30	56
Miscellaneous repairs and manufacture of equipment.....	*	410

\*Not previously reported.

## Precious Metals Marking Act

Inspections were continued in every province during 1956, at retail, wholesale and manufacturing levels, as well as at customs ports. These inspections, with the constant check of advertising material which is carried out, indicate



generally satisfactory compliance with the provisions of the Act. The Branch was able to be of assistance on many occasions to all sections of the precious metals industry.

### Precious Metals Inspections Made and Warnings Issued

	1955	1956
Premises inspected.....	7,206	6,781
Advertising matter examined.....	6,013	5,376
Warnings issued.....	44	53
Assays and tests.....	266	145
Prosecutions.....	3	0
Calls on Customs.....	2,418	2,344
Shipments examined at Customs.....	10,697	12,328
Special reports on violations after inspection of dealer stocks.....	853	839

### National Trade Mark and True Labelling Act

Regulations enacted to date deal with the true and accurate labelling of fur garments, hosiery, turpentine and textile materials. The latter came into force on January 1, 1956 and their requirements are already reflected in labelling and advertising. The committee dealing with this regulation will at a later stage consider how best the provisions can be extended to be more useful. The standard specification for Babcock test bottles continues in force.

Standardization of children's and women's clothing has reached the point where draft specifications for some types of garments (subject to minor modifications) have now been approved. It is expected that standards for these will be available shortly.

Standard specifications for measuring cups and spoons have now been settled and are being recommended as a basis for a Canada Standard.

The committee investigating the advisability of enacting regulations to cover the labelling of sheets and pillow cases felt that additional time and investigation were desirable before reaching a decision.

### Labelling Inspections

	1955	1956
Premises inspected.....	2,037	1,884
Garments inspected.....	85,556	86,214
Warnings issued.....	106	56
Advertisements examined.....	15,388	12,141
Warnings issued.....	478	322
Prosecutions instituted.....	3	3
Number of labels corrected.....	1,426	858

### Personnel

Three members of the Standards Branch retired in 1956 after long service with the Department. Mr. Lincoln Redgrave, appointed in 1921 as an inspector of electricity and gas at Vancouver, served in that capacity for thirty-five years. Mr. Charles Grant, appointed in 1924 as an inspector of electricity at Saint John, and promoted in 1929 to the position of district inspector, served in these two posts for more than thirty-three years. Mr. David Angus Rose was appointed in 1934 as an inspector of weights and measures at Vancouver and was subsequently placed in charge of the sub-office at Victoria, from which point for many years he handled all coastal inspections. The Standards Branch takes this opportunity to place on record its appreciation of their services.

# Schedule "A"

## Statement of Revenue and Expenditure

### ELECTRICITY INSPECTION ACT and GAS INSPECTION ACT

(Fiscal Year ended March 31, 1956)

District	Electricity		Gas	
	Total Expenses	Total Revenue	Total Expenses	Total Revenue
Belleville.....	\$ 25,356.73	\$ 25,975.90	\$ 1,433.64	\$ 907.10
Calgary.....	14,096.17	20,555.90	7,487.59	11,103.50
Charlottetown.....	3,932.29	2,593.60	—	—
Edmonton.....	14,976.36	22,014.15	6,690.94	10,226.20
Fort William.....	11,248.11	8,107.60	—	—
Halifax.....	22,824.02	24,562.15	1,053.45	21.60
Hamilton.....	35,682.09	70,590.50	13,858.59	12,302.30
Kamloops.....	7,599.16	9,719.65	—	13.80
London.....	47,215.94	44,461.45	19,418.51	14,708.60
Montreal.....	71,710.72	122,021.80	29,168.38	38,408.60
Northwest Terr. (Edm.).....	—	120.00	—	—
Ottawa.....	31,670.29	44,598.65	1,420.17	415.00
Quebec.....	28,218.20	40,429.90	2,533.85	729.40
Regina.....	20,703.44	36,692.60	2,603.39	2,591.00
Saint John, N.B.....	21,321.36	17,139.00	972.14	708.60
St. John's, Nfld.....	11,999.16	6,974.80	—	—
Sudbury.....	22,077.87	23,830.30	1,038.69	369.40
Trois-Rivieres.....	21,805.54	36,853.25	1,046.41	159.20
Toronto.....	87,499.30	123,322.30	24,876.40	23,605.30
Vancouver.....	39,546.49	44,241.15	6,643.72	6,668.80
Victoria.....	11,574.41	11,969.35	539.08	1,767.80
Winnipeg.....	34,046.62	44,187.60	3,936.57	2,341.60
Yukon Terr. (Vanc.).....	109.12	285.85	—	—
General.....	20,900.30	—	5,131.72	—
Laboratory — Electricity fees.....	—	913.57	—	—
TOTALS.....	\$606,013.69	\$782,161.02	\$129,853.24	\$127,047.80

## Schedule "B"

### Statement of Revenue and Expenditure

#### WEIGHTS AND MEASURES ACT

(Fiscal Year ended March 31, 1956)

District	Total Expenses	Total Revenue
Belleville.....	\$ 29,767.77	\$ 22,680.40
Calgary.....	28,613.10	29,667.25
Charlottetown.....	4,815.87	3,013.50
Edmonton.....	39,682.27	46,842.30
Fort William.....	11,726.54	11,322.45
Halifax.....	21,018.15	18,437.36
Hamilton.....	38,009.60	37,029.03
London.....	42,444.06	43,832.70
Montreal.....	77,748.32	82,874.10
Northwest Territories.....	—	7.00
Ottawa.....	29,765.07	22,531.15
Quebec.....	44,785.39	37,209.14
Regina.....	36,291.30	39,216.20
Saint John, N.B.....	24,525.58	17,077.15
St. John's. Nfld.....	29,643.33	9,816.33
Saskatoon.....	40,076.78	37,997.50
Sherbrooke.....	21,458.61	26,265.38
Sudbury.....	25,543.55	15,532.23
Trois Rivières.....	22,251.49	16,448.40
Toronto.....	72,961.99	100,607.60
Vancouver.....	52,486.87	45,924.13
Winnipeg.....	39,216.26	35,292.09
Yukon Territory.....	551.97	226.25
<b>TOTALS.....</b>	<b>\$733,383.97</b>	<b>\$699,849.64</b>
General (including printing, stationery, office equipment, acquisition of equipment, departmental truck, etc.).....	25,012.62	—
Laboratory (Calibration of weights and measures).....	—	4,467.97
Post Office Dept. (Salaries and expenses included in district totals).....	—	5,000.00
Short Weight Inspection.....	5,467.33	—
Fines and penalties.....	—	822.00
Refund of previous year's expenditure.....	—	38.10
Miscellaneous.....	—	28.68
<b>TOTAL EXPENDITURE AND REVENUE.....</b>	<b>\$763,863.92</b>	<b>\$710,206.39</b>



## **Economics Branch**

**T**HE Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on specific subjects relating to the general economic situation or to industries or commodities as required by government departments.

During the past year, general economic conditions in Canada have been kept under review, and a number of reports on various aspects of Canada's economic development have been prepared for official use. Features receiving detailed attention have included the progress of resource development and capital expansion, changes in Canada's foreign trade position, developments in the consumer market, and employment conditions. Economic developments in the United States, particularly as these affect Canada, have been closely followed.

In periodic statements on the general outlook, an attempt has been made to appraise the principal forces operating in the economy and to interpret their probable effects on economic activity in the period ahead. In some cases these reports are designed for general background use within the Government, while in others they are directed to specific problems to be dealt with by individual government departments. Special attention has been given to the examination of the nature and progress of the upswing in general activity which has been in progress since 1954.

The Branch has collaborated in the preparation of material on Canada's economic position, as required, in connection with the participation of this country in various international organizations.

Conditions prevailing throughout Canadian industry have been followed closely. Special industry problems have been examined as required and background reports on several secondary manufacturing industries have been prepared. Particular attention has been given to the upsurge in imports both in relation to Canada's rapid expansion and with respect to its effect on activity in domestic industries.

In the field of resource industries and strategic materials, among the problems examined have been those relating to Canada's expanding energy requirements, including the development of oil, natural gas, and electric power. Other subjects of study have included production and marketing aspects of mineral processing and other resource industries.

Work has proceeded on the examination of world markets for the commodities important in Canada's trade. Studies on the changing volume and composition of Canada's exports to different foreign market areas have been carried forward.

The trend of activity in the principal regions of Canada has been kept under review, and reports dealing with conditions in regions and specific localities have been prepared as required within the department or elsewhere in the federal services.

Studies of economic relationships in the Canadian economy are carried out in the Branch to facilitate the analysis of current conditions. Because of the importance of statistical material for current economic analysis, the Branch has continued to take an active interest in the development of government statistical programs.

## **Administration Branch**

**U**NDER the supervision of the Comptroller-Secretary, this Branch provided administrative services to all branches and divisions of the Department. It maintained liaison with the Privy Council, the Treasury Board, the Civil Service Commission, the Department of Public Works, the Clerk of the House of Commons, and the Clerk of the Senate, and was responsible for the preparation of Parliamentary papers.

### **Personnel**

The Personnel Division provided guidance and assistance to line officers in carrying out approved personnel policies. Liaison was maintained with the central agencies dealing with establishment, recruitment, pay, superannuation and employee welfare. As part of a career development program within the Department, a course was conducted for first-year junior officers.

The Division conducted 10 promotion competitions within the Department and 15 open competitions through the Civil Service Commission. During the year there were 415 additions to staff and 360 separations.

During the past year the Department has contributed staff to three Royal Commissions.

A distinguished civil servant and leader in the field of statistics, Herbert Marshall, a member of the staff of the Dominion Bureau of Statistics for some 34 years and Dominion Statistician for the past eleven years, completed his term of office at the close of 1956. Internationally known and honoured for his contributions in this field, Herbert Marshall has also been active over the years in other forms of public service. His retirement from the Bureau (though not, it is hoped, from the profession) was marked by a public tribute of respect and affection from the Minister and more than 1800 of his friends and colleagues.

The new Dominion Statistician, Walter Duffett, has already established a reputation for his work in the public service, including the Wartime Prices and Trade Board, the Research Division of the Bank of Canada, and the Department of Labour, where he was Director of the Economics and Research Branch.

### **Financial Section**

The Financial Section assumes administrative responsibility for preparing requests for funds and the controlling of expenditure thereof. Forecast of financial needs are drawn up for each service, analysed for soundness, and presented

to the Deputy Minister and the Minister for consideration prior to presentation to Treasury Board and Parliament. Expenditures are controlled throughout the year by analysis of the necessity and reasonability of each undertaking prior to commitment and afterwards when accounts are submitted. Continuous liaison is maintained with the Department of Finance in order to ensure that departmental practices are in accordance with government policy.

## **Records**

The Records Division provides records, mail and messenger service to all branches of the Department at Ottawa. Although operating under centralized control, the division is organized in nine sections, five of which are located at headquarters and four in various parts of the city.

Responsible for the custody and maintenance of more than 200,000 departmental files, this division in 1956 recorded, distributed and filed 343,090 pieces of correspondence, delivered 31,710 by hand messages throughout the city and dispatched 248,699 pieces of mail from the departmental mail room. During the year 546 lineal feet of records of no further value to the Department were either destroyed or transferred to the Public Records Centre.

## **Equipment and Stationery**

The Equipment and Stationery Division dealt with the procurement, warehousing and supply of all printing, stationery, equipment, and furniture, and maintained liaison with the Department of Public Printing and Stationery (Queen's Printer) and the Department of Public Works. The general work load of the Division showed an increase of approximately 20% over 1955.

During the year 5,694 internal requisitions were handled while 2,479 requisitions were processed to the Queen's Printer.

Shipments to Trade Commissioner offices abroad were continued on a fixed schedule basis. Stationery and supplies having a gross weight of 26 tons and packed in 248 cases were shipped to these offices. Offices of the Department in Canada received a total of 2,144 shipments from this Division during the year.

The Division continued the operation of a Purchasing Unit for the direct purchase of all subscriptions and the purchase of furniture and equipment for both the offices and the residences of the Trade Commissioner Service abroad.

The Duplicating Service, operated by this Division, showed a substantial increase in the number of requisitions handled. There were approximately 28,400 duplicating and stencil jobs for a total of approximately 5,500,000 copies. The increase in the number handled without a substantial increase in total volume indicates the strict adherence to present printing regulations which limit the size of jobs processed by the Duplicator Service.

Continuous liaison is being carried on with the Department of Public Works in the planning and designing of the interior of our new building. It is expected that we shall occupy these new premises early in 1958.



## The Library

The library facilities continued to be used extensively by the staffs of the Departments of Trade and Commerce and Defence Production, and the research staffs of the three Royal Commissions on Economic Prospects, Coasting Trade, and Radio and Television Broadcasting. Considerable time was devoted to securing information for various routine or special research projects through the use of library resources or through interlibrary loans. The special bibliographies and the indexes to Hansard compiled in the library proved to be very useful during the year for answering the numerous demands for information, particularly on the subjects of pipelines, power, wheat, and trade.

Main acquisitions together with listings of major periodical or newspaper articles of interest to the Department were indicated in 25 bulletins grouping over 2800 items and distributed to 125 readers. Slips for the various items on commodities, industries and trade mentioned in these bulletins are filed separately under appropriate headings, thus providing a continuous bibliography for quick reference.

A marked increase over previous years was shown in the flow of items presented to the library by officers of the Department, especially Trade Commissioners. These presentations are now averaging 600 a month.

New cards totalling 4,689 were added to the catalogue, and 495 cards listing new acquisitions were sent to the National Library for inclusion in the Union Catalogue. A membership in the American Management Association has been taken and its reports provide an additional useful source of information.

The circulation of periodicals and government documents was kept at an even flow during the year, and to aid library readers a more extensive subject list of the economic journals and trade magazines is now in preparation.

Co-operation with other libraries was maintained through the lending and borrowing of books and other documents, and the allocation of 285 items presented to the collections of other government or university libraries.

The library has also co-operated in the centralization of purchases of publications for the various branches of the Department. This new system appears to be satisfactory to both readers and staff, and eliminates some duplication, hence showing an economy in the over-all budget.

## Appendix A

# Directory of Boards, Crown Companies and Agencies

### Reporting to Parliament through the Minister of Trade and Commerce

#### *Board of Grain Commissioners—*

Chief Commissioner, D. G. McKenzie

(to December 9, 1956)

R. W. Milner

(from December 10, 1956)

#### *Canadian Wheat Board—*

Chief Commissioner, G. H. McIvor

#### *Dominion Bureau of Statistics—*

Dominion Statistician, Herbert Marshall (to Dec. 31, 1956)

W. E. Duffett (from Jan. 1, 1957)

#### *Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

#### *Trans-Canada Air Lines—*

President, G. R. McGregor

#### *Northern Ontario Pipe Line Crown Corporation—*

President, D. A. Golden

### Reporting to Parliament through the Minister of Trade and Commerce as Chairman of the Privy Council Committee on Scientific and Industrial Research

#### *Atomic Energy Control Board—*

President, C. J. Mackenzie

#### *Atomic Energy of Canada Limited—*

President, W. J. Bennett

#### *Canadian Patents and Development Limited—*

President, E. R. Birchard

#### *National Research Council —*

President, E. W. R. Steacie

#### *Eldorado Mining and Refining Company Limited—*

President, W. J. Bennett

#### *Eldorado Aviation Limited—*

President, W. J. Bennett

#### *Northern Transportation Company Limited—*

President, W. J. Bennett

The activities of these organizations are described in their respective annual reports.

## Appendix B

### Distribution of Departmental Staff

As at December 31, 1956

	1954	1955	1956
Administration.....	159	157	152
Trade Commissioner Service.....	411	420	441
Commodities Branch:			
Commodities.....	55	54	62
Transportation and Trade Services.....	8	10	10
Export & Import Permit Division.....	23	17	16
Directories Section.....	11	10	12
British West Indies Section.....	11	11	9
Agricultural and Fisheries Branch.....	16	16	21
Economics Branch.....	41	45	40
Industrial Development Branch.....	10	15	16
International Trade Relations Branch.....	27	26	27
Canadian Government Exhibition Commission..	87	67	65
International Economic and Technical Co- operation Division.....	21	27	33
Information Branch.....	12	13	15
Capital Cost Allowance Division.....	3	—	—
Standards Branch:			
Administration.....	20	20	20
Electricity and Gas Inspection Services.....	167	172	181
Precious Metals Marking Services.....	5	5	5
Standards Laboratory.....	14	14	21
Weights and Measures Inspection Services.....	130	133	141
Totals.....	1,231	1,232	1,287
The above figures do not include the following:			
Board of Grain Commissioners.....	900	900	928
Canadian Government Elevators.....	198	193	222
Dominion Bureau of Statistics.....	1,339	1,398	1,450
Totals.....	3,668	3,723	3,887



## Appendix C

# Tariff Arrangements in Force

As of December 31, 1956

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are as follows: Australia, British West Indies, Ceylon, Ireland, New Zealand, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with the Federation of Rhodesia and Nyasaland and accords preferences to India and Pakistan. These agreements have been modified and supplemented by GATT.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 35 contracting parties to the Agreement. Four rounds of major multilateral tariff negotiations have been held under GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1956. The concessions negotiated on these occasions are to remain in force until January 1, 1958, and thereafter, unless modified in accordance with the terms of the Agreement.

Canada already had most-favoured-nation trade agreements with many countries, including most GATT members, prior to the effective date of the General Agreement. These agreements with individual countries continue in force in conjunction with the General Agreement. As an exception, however, the Canada-U.S.A. Trade Agreement was suspended for as long as both countries should continue to be contracting parties to GATT.

Further particulars regarding tariff agreements and arrangements in force on December 31, 1956 may be summarized as follows:

### 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia.....	Trade Agreement signed July 8, 1931; in force Aug. 3, 1931. GATT effective Jan. 1, 1948.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months notice.

Country	Agreement	Principal Terms
British West Indies (Bahamas, Barbados, Jamaica, Leeward and Windward Islands, Trinidad and Tobago), Bermuda, British Guiana and British Honduras.	Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.  The British West Indies (except Jamaica), Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months notice.
Ceylon.....	Ceylon is a party to the Trade Agreement of 1937 between United Kingdom and Canada.  GATT effective July 29, 1948.	Canada and Ceylon exchange preferential tariff treatment.
India.....	Since 1897, Canada has unilaterally accorded British preferential treatment to India but without contractual obligation.  GATT effective July 8, 1948.	In addition to preferences granted to India, most-favoured-nation treatment is exchanged under GATT.
Ireland.....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months notice.
New Zealand.....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months notice.
Pakistan.....	Canada unilaterally accords Pakistan British preferential treatment but without contractual obligation.  GATT effective July 30, 1948.	In addition to preferences granted to Pakistan, most-favoured-nation treatment is exchanged under GATT.
Federation of Rhodesia and Nyasaland	Northern Rhodesia and Nyasaland are parties to Agreement of 1937 between Canada and United Kingdom; an Agreement of 1932 between Canada and Southern Rhodesia expired in 1938, but the tariff treatment provided therein continues to be reciprocally accorded.  GATT effective in Southern Rhodesia May 19, 1948; extended to whole Federation, Oct. 29, 1954.	Canada exchanges preferential tariffs with Northern and Southern Rhodesia, Canada accords Nyasaland the British preferential rates.
Union of South Africa..	Trade Agreement signed Aug. 20, 1932; in force Oct. 13, 1932.  Exchange of notes Aug. 2-31, 1935; effective retroactive from July 1, 1935.  GATT effective June 14, 1948.	Agreement includes schedules of tariff preferences granted by each country. May be terminated on six months notice.  Exchange of most-favoured-nation treatment. May be terminated on six months notice.

Country	Agreement	Principal Terms
United Kingdom.....	Trade Agreement signed Feb. 23, 1937; in force Sept. 1, 1937. Modified by an exchange of letters of Nov. 16, 1938, and an exchange of notes Oct. 30, 1947.	Various concessions by both countries including exchange of preferential tariff rates (some minor reservations by Canada). Extends to Colonial Empire.
	GATT effective Jan. 1, 1948.	

## 2. Arrangements with Non-Commonwealth Countries

Argentina.....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months notice.
Austria.....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union)	See Belgium-Luxembourg and Netherlands.	
Bolivia.....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil.....	Trade Agreement signed Oct. 17 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.
	GATT effective July 31, 1948.	
Burma.....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Cambodia.....	Franco-Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Chile.....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.
	GATT effective Mar. 16, 1948.	
China.....	Modus vivendi signed Sept. 26, 1946; in effect since Sept. 28, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
	China withdrew from GATT on May 5, 1950.	
Colombia.....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938. A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	Exchange of most-favoured-nation treatment. May be terminated on three months notice



Country	Agreement	Principal Terms
Costa Rica.....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Cuba.....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment (excluding preferences accorded by Cuba to the United States).
Czechoslovakia.....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928. GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Denmark (including Greenland).....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada. GATT effective May 28, 1950.	Exchange of most favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic.....	Trade Agreement signed Mar. 8, 1940; in force provisionally Mar. 15, 1940, and definitively Jan. 22, 1941. GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on six months notice.
Ecuador.....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Egypt.....	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3 1952.	Exchange of most-favoured-nation rates. May be terminated on six months notice.
El Salvador.....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months notice.
Ethiopia.....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment.
Finland.....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948. GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
France and French overseas territories.....	Trade Agreement signed May 12, 1933; in force June 10, 1933. Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months notice.
Germany, Federal.....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece.....	Modus vivendi by exchange of notes of July 24-28, 1947. GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Greenland.....	See Denmark.	
Guatemala.....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.
Haiti.....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.

Country	Agreement	Principal Terms
Honduras.....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Iceland.....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia.....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran.....	Special arrangement by Order in Council effective Feb. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq.....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Israel.....	Canada-United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.
Italy.....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Japan.....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954. GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months notice.
Laos.....	Franco-Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon.....	Special arrangement by Order in Council of Nov. 19, 1946. Lebanon withdrew from GATT Mar. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia.....	Special arrangement by Order in Council of June 3, 1955. Liberia withdrew from GATT June 1, 1953.	Canada grants most-favoured-nation tariff rates as long as Liberia accords reciprocal treatment.
Liechtenstein.....	See Switzerland.	
Luxembourg.....	See Belgium-Luxembourg.	
Mexico.....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date. Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.
Morocco.....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands.....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

Country	Agreement	Principal Terms
Nicaragua.....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months notice.
Norway.....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.  GATT effective July 10, 1948.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
Panama.....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay.....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Peru.....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines.....	No agreement at present, United States-Canada Agreement of 1938 (now suspended) applied to Philippines until Philippines attained independence in 1946.	Canada and Philippines continue to exchange most-favoured-nation treatment but without contractual obligation.
Poland.....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months notice.
Portugal, Portuguese adjacent islands and Portuguese overseas provinces	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months notice.
Spain and Spanish possessions.....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.  Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.  Supplements and amends United Kingdom-Spanish Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months notice.
Sweden.....	United Kingdom-Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.  GATT effective May 1, 1950.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
Switzerland.....	United Kingdom-Switzerland treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947. See also page 51, line 3.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by the Dominions on one year's notice.



Country	Agreement	Principal Terms
Syria.....	Special Arrangement by Order in Council of Nov. 19, 1946. Syria withdrew from GATT Aug. 6, 1951.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Tunisia.....	Franco-Canadian Trade Agreement of 1933 applied to Tunisia (Tunisia is in customs union with France).	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey.....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
	GATT effective Oct. 17, 1951.	
Union of Soviet Socialist Republics	Trade Agreement signed Feb. 29, 1956. Ratifications exchanged May 26, 1956.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase determined quantity of Canadian wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.
United States.....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT.	Most-favoured-nation treatment exchanged under 1938 agreement is continued under GATT.
	GATT effective Jan. 1, 1948.	
Uruguay.....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953.	Exchange of most-favoured-nation treatment. May be terminated on six months notice.
	GATT effective Dec. 16, 1953.	
Venezuela.....	Modus vivendi signed and brought into force Oct. 11, 1950, renewed each year.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam.....	Franco-Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state, Canada has continued to accord most-favoured-nation rates.
Yugoslavia.....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom-Serb-Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

## Appendix D

### Projects completed by the Canadian Government Exhibition Commission in 1956

Institute of American Poultry Industries, Fact Finding Conference, Kansas City, Mo.  
February 10-12, 1956.....Registered delegates totalled 2,965

Sponsored by the Department of Agriculture, a twenty-foot display was designed and constructed to demonstrate the Canadian system of inspection, grading and packing of eggs and poultry. Unfortunately customs and rail difficulties prevented the timely arrival of the exhibit, but a background was improvised on site to set off the Canadian poultry and eggs supplied by the Department of Agriculture through Swift and Company's Kansas City office. The exhibit prepared for this occasion will be used at the 1957 Conference.

Royal Netherlands Industries Fair, Utrecht, Netherlands.  
March 13-22, 1956.....Attendance 200,000 (estimated)

This display, featuring wood and wood products, including paper, occupied 1200 square feet on the first floor of the New Juliana Hall.

Japan International Trade Fair, Osaka, Japan.  
April 8-22, 1956.....Attendance 433,000

A 30' display featuring Canadian grain, built for the 1955 fair in Tokyo, was used again in Osaka.

Milan International Trade Fair.  
April 12-27, 1956.....Attendance 4,300,000

Again occupying 1200 square feet in the Hall of Nations, the Canadian exhibit featured a beam therapy unit as the centre of a graphic display telling a story of Canadian progress.

Brussels International Trade Fair.  
April 27 — May 12, 1956.....Attendance 1,000,000

This exhibit, featuring grain and other field crops together with canned and processed foodstuffs, occupied 1032 square feet in the Hall of Nations. Thirty-six Canadian firms were represented.

German Industries Fair, Hannover.  
April 29 — May 8th, 1956.....Attendance 1,500,000

Forming the first trade exhibit in Germany, products of 10 Canadian chemical companies were shown in 900 square feet in Hall 6. This Hall is operated by the German Chemical Association Chemieverband. Portions of the 1955 Brussels Chemicals and London Plastics as well as the 1956 Milan exhibits were re-used in this show.

National Conference of Social Work, St. Louis, Mo.  
May 20-25, 1956.

A 20' exhibit, sponsored by the Department of Health and Welfare, was designed and constructed in the Exhibition Commission's Ottawa workshop and installed at this Conference. It was later set up at the National Council of Social Work, Edmonton, Alberta, June 18 - 25.

Pacific National Exhibition, Vancouver  
August 22 — September 3, 1956.....Total Attendance 650,000  
Estimated attendance at Armed Forces Site 100,000

In cooperation with a Pacific Coast Tri-Service Committee under direction of the Department of National Defence HQ Armed Forces Exhibitions Committee, exhibits produced by the three services were installed at the Armed Forces site in the interest of recruiting. Several display pieces produced by the Exhibition Commission for previous Armed Forces shows at the Canadian National Exhibition were also used. The Goedesic Dome, first used at the Pacific National Exhibition in 1955, was again used as a cinema. It also housed the Army pageant of uniforms and the RCAF survival kit and set-up.

Canadian National Exhibition, Toronto.  
 August 24 — September 8, 1956.....Total attendance 2,832,000  
 Estimated attendance at Armed  
 Forces site 500,000

Produced in cooperation with the DND HQ Armed Forces Exhibitions Committee, the Armed Forces exhibit at the CNE, Toronto, was again one of the largest operations of the year. The Commission was responsible for the design, construction and installation of the many displays, produced in the interest of recruiting.

Highlights of the area displays included a 45' scale model of HMCS Bonaventure; a model gun emplacement occupying approximately 700 square feet, beautifully landscaped and camouflaged with shrubs, etc.; the Otter aircraft, and the Link Trainers. These displays attracted a constant flow of visitors during most of the visiting hours.

Quebec Provincial Exhibition, Quebec City  
 August 31 — September 9, 1956.....Attendance 395,000

In cooperation with Quebec Command Tri-Service Committee, under direction of DND HQ Armed Forces Exhibitions Committee, the Commission produced and installed a variety of displays in the interest of recruiting. A considerable amount of display material used the previous year was refurbished on site under the direction of a Commission technician. Three 12'6" sections were added to the display building.

Comptoir Suisse, Lausanne, Switzerland.  
 September 8-23, 1956.....Total attendance 900,000  
 Attendance at Canadian  
 pavilion 600,000

An exhibit of products of 106 Canadian companies, firms and organizations was assembled and prefabricated in Ottawa. (This project is more fully covered in the text.)

German Industries Exhibition, Berlin.  
 September 15-30, 1956.....Total attendance 683,000  
 East Berlin attendance 311,000

This exhibit, housed in a Canadian pavilion, was sponsored by the Departments of External Affairs and Citizenship and Immigration. Entitled "Ten Canadians" it dramatized the living habits and occupations of men and women in ten professions and trades.

Shoe and Leather Fair, London, England.  
 October 1-5, 1956.

This display, occupying 552 square feet of space in Grand Hall, Olympia, featured side, upper, patent, calf and sole leathers from ten Canadian leather producers.

Manchester Building Trades Exhibition, Manchester, England.  
 October 16-27, 1956.

This show, occupying 1240 square feet, featured Canadian lumber. It was designed and produced with the cooperation of the British Columbia Lumber Manufacturers' Association.

4th Salon de la Chimie, Paris, France.  
 November 22 — December 3, 1956.....Attendance 300,000

This display, occupying 2200 square feet, featured Canadian chemicals and a composite display of Canadian Pulp and Paper Association members' products. Besides the Association (7 members), twenty chemical firms contributed products. Polysar Corporation occupied one-third of the stand and paid for the space involved.

3rd Bogotá International Trade Fair, Bogotá, Colombia, S.A.  
 November 23 — December 9, 1956.....Attendance 1,223, 395

With some 35 companies, firms and organizations participating, the space taken was increased from approximately 900 square feet occupied in 1955 to 1615 square feet. Consumer goods and hard goods were displayed. An outstanding feature was a beam therapy unit.

Canadian Government Showroom, Rockefeller Centre, New York 20, N.Y.

The following displays of Canadian products were shown in the Showroom during this fifth year of operation:

Building products	Tableware
Hardware	Church furnishings
Winter sports goods	Foodstuffs
Handbags and luggage	Christmas show.



Canadian Government Travel Bureau, New York Office, 11 West 49th St., New York.

Four seasonal displays were designed, built and installed in the Travel Office windows of the Bureau at New York.

#### RCAF Displays

In addition to other miscellaneous services, six display units were produced for the following shows:

The Canadian National Sportsmen's Show, Toronto  
March 9-17, 1956.

Annual Meeting Registered Nurses Association, Royal York Hotel, Toronto  
April 12-13-14, 1956.

Canadian Dietetic Association Convention, MacDonald Hotel, Edmonton  
June 22-28, 1956.

Orenda engine display refurbished for a tour of eastern fairs.

Display designed and produced to tour the western circuit of fairs.

Airwomen's display designed and produced to tour the western circuit of fairs.

Airwomen's display designed and built for use at the RCAF Station Rockliffe, and other stations across Canada.

#### Atomic Energy Ltd.

8 displays were produced on behalf of this Company, for the following events:

Prospectors & Developers Association Convention (Eldorado),  
Royal York Hotel, Toronto  
March 4, 5 & 6, 1956.

8th International Congress of Radiology, Mexico City,  
July 22 — 28, 1956.

Ontario Cancer Clinic, Ottawa Civic Hospital  
May, 1956.

American Society for Testing Material Conference, Atlantic City  
June 18 — 22, 1956.

The Trade Fair of Atomic Industries, Navy Pier, Chicago  
September 24 — 28, 1956.

American Roentgen Ray Society, Los Angeles  
September 25 — 28, 1956.

Canadian Association of Radiologists meeting, Vancouver  
January 16 — 18, 1956.

Radiological Society of North America, Palmer House, Chicago  
December 2 — 7, 1956.

Eighteenth International Geological Congress, Rio de Janeiro, Brazil  
August 9 — 18, 1956.

In cooperation with the Geological Branch, Department of Mines and Technical Surveys, the Commission designed and produced a display on cartography.  
London Building Centre

A new permanent display, including samples of various lumber and lumber products, was produced and installed at the Centre.

## Appendix E

### Publications issued by the Information Branch

The following publications (apart from periodicals) were prepared by, or in co-operation with, the Information Branch during 1956. This list does not include documents or studies prepared and issued by other branches of the Department. Generally speaking, these publications are of a trade promotional nature, and the majority are intended for distribution abroad.

- A Career in Canada's Foreign Trade Service (English and French)
- Small Business Manual (English and French)
- Canada Folder (English, French, Spanish, Italian, German and Japanese)
- Catalogue of Canadian Products at the Comptoir Suisse (Tri-lingual)
- Canada for Fine Furs (no text)
- Chimie Canadienne (French)
- Market Information Series — Venezuela (English)
- Frame Construction with Canadian Timbers (English)
- Canadian Timber Tops the World (English)
- Canadian Chemicals for Export (English)
- Canadian Showroom, Rockefeller Centre Folders (English) covering:
  - Hardware and Housewares
  - Winter Sporting Goods
  - Luggage
  - Glassware and Pottery
  - Ecclesiastical Vestments
  - Food
- Canada's Foreign Trade in 1955 (English — reprint from Canada 1956)

## Appendix F

# DEPARTMENT OF TRADE AND COMMERCE

## Summary of Expenditure and Revenue

Year Ended March 31, 1956

### I. Expenditure

A. Ordinary.....	\$18,042,598	
B. Special.....	19,026,165	
	<hr/>	
C. Total.....		\$37,068,763

### II. Revenue

A. Ordinary.....	\$ 7,107,789	
B. Total.....		\$ 7,107,789

### III. Debits or Credits

Net Debit (Ordinary).....	\$10,934,809	
Net Debit (Non-Ordinary).....	19,026,165	
	<hr/>	
Net Debit (Total).....	\$29,960,974	

## Department of Trade and Commerce

### Statement of Expenditure

For the Fiscal Years 1953-54 to 1955-56

ORDINARY	1953-54	1954-55	1955-56
<i>Minister's salary and motor car allowance.....</i>	\$ 12,000	\$ 17,000	\$ 17,000
<i>General Administration</i>			
Departmental Administration.....	557,344	602,737	607,865
Commodities Branch.....	573,682	624,493	612,053
Trade Commissioner Service			
Administration.....	2,364,918	2,550,076	2,583,950
Acquisition or improvement of building, land, equipment and furnishing.....			56,783
Information Branch.....	144,439	138,808	163,149
Economics Branch.....	145,024	199,632	209,678
International Trade Relations Branch.....	126,646	130,632	133,066
<i>Exhibitions</i>			
Exhibitions generally.....	224,308	269,372	284,240
Canadian International Trade Fair:			
1953.....	512,092		
1954.....	267,067	507,021	
1955.....		264,791	496,296*
"Wind up".....			59,623*
Brussels Universal and International Exhibition 1958.....			36,796

\*Gross cost of 1955 Canadian International Trade Fair including wind-up expenses totalled \$555,919, to which was credited revenue received from the operations of the Fair amounting to \$523,092 leaving a net cost of \$32,827. This latter figure will appear in Public Accounts as the cost of the 1955 Trade Fair in 1955-56.



*Standards Branch*

Administration, including the Standards Laboratory and Administration of the Precious Metals Marking Act.....	1953-54	1954-55	1955-56
Electricity and Gas Inspection Services.....	154,153	181,098	187,792
Weights and Measures Inspection Services	608,569	691,031	736,261
	688,975	726,001	763,864

*Dominion Bureau of Statistics*

Administration.....	159,496	192,889	226,800
Statistics.....	4,462,442	4,840,810	5,120,230
Census.....	717,112	502,148	698,504

*Canada Grain Act*

Board of Grain Commissioners			
Salaries of Commissioners.....			42,000
Administration.....	181,879	170,294	144,174
Operation and maintenance.....	3,324,215	3,381,801	3,472,484
Canadian Government Elevators			
Operation and maintenance.....	1,202,160	1,161,369	1,178,587
Construction or acquisition of buildings, works, land, and new equipment.....		234,508	210,893
Gratuities to families of deceased employees.....	8,430	4,707	510
Totals Ordinary.....	\$16,434,951	\$17,391,218	\$18,042,598

**SPECIAL**

International Economic and Technical Co-operation Division, including the administration of the Colombo Plan and of certain United Nations co-operation plans.....	\$ 90,220	\$ 102,446	\$ 133,665
Annuity to Mrs. Helen M. Boyer.....	1,248		
Pension to Mr. Julio Moreira.....		1,170	788
Temporary Wheat Reserve Act, Statutes of Canada, 1956, Chap. 2.			
Payment of carrying costs of temporary wheat reserves owned by Canadian Wheat Board.....			18,891,712
Totals Special.....	\$ 91,468	\$ 103,616	\$19,026,165

**Statement of Revenue****For the Fiscal Years 1953-54 to 1955-56**

Ordinary	1953-54	1954-55	1955-56
Canada Grain Act.....	\$3,403,805	\$2,453,226	\$2,272,754
Canada Government Elevators.....	1,283,563	1,775,874	1,741,874
Weights and Measures Inspection Services...	658,733	670,147	710,168
Electricity and Gas Inspection Services.....	790,104	857,630	909,209
Electricity and Fluid Exportation Act.....	684,602	947,016	1,277,928
Exhibitions.....	617,369	555,388	2,686
Miscellaneous.....	719,747	384,861	193,170
Total.....	\$8,157,923	\$7,644,142	\$7,107,789

## Appendix G

# Head Office Directory

## Department of Trade and Commerce

*This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government 2-8211, and ask for the local only.)*

**As of December 31, 1956**

**No. 1 Building, 375 Wellington Street\***

	GOV.	LOCAL
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.....		2-0336
Private Secretary: A. J. Stanton.....		2-0336
Deputy Minister: Wm. Frederick Bull.....	6-6748,	2-2326
Executive Assistant: A. W. A. Lane.....		2-2380
Trade Policy Adviser: H. R. Kemp.....		2-5151
Technical Adviser: G. D. Mallory.....		2-3819
Associate Deputy Minister: M. W. Sharp.....	2-2888,	2-5838
Economic Adviser: O. J. Firestone.....		2-4176
Assistant Deputy Minister: Oliver Master.....		2-2421

### Administration Branch

Comptroller-Secretary: Finlay Sim.....	2-2262
Administrative Assistant: Miss M. L. E. Jones.....	6-7411
Financial Assistant: S. B. Kayes.....	2-4312

### Personnel Division

Personnel Officer: L. J. Rodger.....	2-5430
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### General Records

Supervisor: C. Drolet.....	2-4980
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### Equipment and Supplies

Supervisor: E. S. Brown.....	2-5011
------------------------------	--------

### Economics Branch

Director: V. J. Macklin.....	2-5658
Associate Director: Dr. J. Davis.....	6-7372

### Trade Commissioner Service

Assistant Deputy Minister: John H. English.....	2-2530
Assistant Director (Operations): J. A. Stiles.....	6-6800
Assistant Director (Planning).....	6-8286
Area Trade Officers	
Asia and Middle East: Paul Sykes.....	6-8286
Commonwealth: R. R. Parlour.....	2-2144
Europe: L. A. Campeau.....	2-0436
Latin America: S. G. Tregaskes.....	6-7641
United States: D. M. Holton.....	2-5176
Assistant Director (Administration:) J. H. Stone.....	2-5669
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver B.C. (Cable address: FORTRADE).....	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.....	2698

*\*Unless otherwise noted all offices of the Department are in No. 1 Building.*

## Commodities Branch

Director: Denis Harvey.....	2-5417
Assistant Director: G. S. Hall.....	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon.....	6-6519

### Transportation and Trade Services Division

Director: W. Gibson-Smith.....	6-6236
Adviser: T. G. Hills.....	2-5680
Export and Import Permit Section	
Chief: J. G. MacKinnon.....	2-3640
Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke.....	6-6976
Lumber, forest products: L. M. Lang.....	6-6991
Imports and Office Supervisor: L. M. Lang.....	6-6991
Directories Section: R. Bedard.....	6-6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe.....	6-6905, 2-5670
U.K. Token Import Plan Section: A. E. Fortington.....	2-5680
Transportation and Communications Section: H. A. Hadskis.....	2-2737
Traffic: D. H. Munro.....	6-7835

### Commodity Divisions

Machinery and Metals Division	
Chief: E. C. Thorne.....	2-4082
Assistant: W. L. Power.....	2-5207
Assistant Chief: J. M. Rochon.....	6-8422
Steel and Non-Ferrous Metals: J. M. Rochon.....	6-8422
Non-Metallic Minerals.....	2-5823
Industrial Machinery: J. R. Johnson.....	6-7546
Electronic Equipment: D. L. Draper.....	6-6479
Transportation Equipment, Construction Machinery: G. W. Rahm.....	2-5159
Agricultural and Automotive Equipment, Aircraft: G. C. Clarke.....	2-3873
Miscellaneous Machinery: R. P. Mulvihill.....	6-8269
Forest Products Division	
Chief: J. C. Dunn.....	2-0273
Lumber and Manufactured Wood Products: J. C. Dunn.....	2-0273
Logs and Lumber Products: E. J. White.....	2-4863
Pulp, Paper, Pulpwood: M. N. Murphy.....	6-6974
E. J. Ward.....	2-5127
Chemicals Division	
Chief: A. M. Tedford.....	2-5993
Oils, Fats, Miscellaneous Chemicals: R. T. Elworthy.....	2-5177
Pharmaceutical Products: G. A. Ferguson.....	6-6075
Petroleum, Organic Chemicals: T. V. Harquail.....	6-6075
Plastics, Heavy Chemicals: G. E. McCormack.....	6-7601
Consumer Goods Division	
Chief: D. G. W. Douglas.....	6-6197
Assistant Chief: A. C. Fairweather.....	6-7815
Textile Fibres and Products: G. R. Poley.....	2-3004
Wearing Apparel, Linens: E. G. Gerridzen.....	2-5378
R. M. Josephson.....	6-8679
Leather, Rubber and Plastic Products: F. T. Carten.....	2-0518
R. G. Woolham.....	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones.....	2-4160
P. Mondor.....	6-7956
Handicrafts, Chinaware, Jewellery, Photographic Equipment: P. E. Jensen	2-5337
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment: W. L. Herman.....	6-6958
Hardware, Plumbing and Heating Equipment: D. C. Meyers.....	6-6383
Consumer Durable Goods, Electrical Appliances: W. H. Grant.....	2-3209
Beverages, Imported Foods: E. B. Paget.....	2-4161
Records, Statistics, Office Services: Miss M. E. O'Connor.....	6-8760



## Agriculture and Fisheries Branch

Director: G. R. Paterson.....	2-4301
Assistant Director: S. C. Hudson.....	2-3980

### Food and Agriculture Division

Chief: G. E. Woollam.....	2-0911
Livestock, Dairy and Poultry Products, Tobacco: K. L. Melvin.....	2-3172
Meat and Packing House Products, Furs: G. Hazen.....	2-5859
Plant and Plant Products: W. John O'Connor.....	6-7523

### Grain Division

Chief: W. Van Vliet.....	2-5830, 2-5648
R. M. Esdale.....	2-5830, 2-5648

### Fisheries Division

Chief: T. R. Kinsella.....	6-7385
J. M. Bellemare.....	6-6350

## International Trade Relations Branch

Assistant Deputy Minister: C. M. Isbister.....	2-2250, 2-4042
Assistant Director: M. Schwarzmann.....	2-2250
H. V. Jarrett.....	2-5642
R. E. Latimer.....	6-7594
W. Lavoie.....	6-6531
Miss H. M. Spence.....	6-7696
Europe and Latin America Area	
Europe: F. P. Weiser.....	2-5642
Latin America: A. M. Baldwin.....	6-8727
Sterling Area	
United Kingdom:	
Miss H. K. Potter.....	6-8469
J. R. Downs.....	6-6531
Other Sterling Area:	
R. B. Nickson.....	6-7594
J. M. H. Davison.....	6-7696
Miss M. V. McCormick.....	6-6531
E. J. McMeekin.....	6-8727
United States Area	
B. S. Shapiro.....	6-8469
J. B. O'Neill.....	6-7696

## Industrial Development Branch

Director: B. R. Hayden.....	6-7886
C. D. Arthur.....	2-4181
G. P. Bourne.....	2-5909
G. A. Cooper.....	2-4181
W. M. Hall.....	2-4143
A. J. Wibe.....	2-5909

## Information Branch

Director: L. H. Ausman.....	2-2479, 6-6394
Assistant Director: J. Fergus Grant.....	2-2186
Editor, <i>Foreign Trade and Commerce Exterieur</i> : Miss O. Mary Hill.....	6-6588
Information Officer: F. R. Hamilton.....	6-6435

## Translation Branch

Chief: Emile Boucher..... 2-2760

## Standards Branch

### West Block

Director: R. W. MacLean..... 2-2132

#### Assistant Directors

Electricity and Gas: E. F. Power..... 2-2956

Weights and Measures: C. S. Phillips..... 2-2000

Commodity Standards: O'Neill O'Higgins..... 6-6721

Precious Metals Marking, and Enforcement: W. L. Berry..... 6-7075

Supervisor, Standards Laboratory: W. J. S. Fraser..... 2-2575

## International Economic and Technical Co-operation Division

### No. 4 Building, Ottawa

Administrator: Nik Cavell..... 6-8495

Assistant Administrator: R. W. Rosenthal..... 6-8429

#### Capital Projects

Chief: F. E. Pratt..... 2-0981

#### Technical Co-operation Service

Chief: D. W. Bartlett..... 2-5542

Assistant Chief: J. T. Hobart..... 6-8662

## Canadian Government Exhibition Commission

### 479 Bank Street, Ottawa

Director: Glen Bannerman..... 2-3558

Superintendent of Exhibits: R. L. Greene..... 2-3776

Chief, Design Section: T. C. Wood..... 2-3671

Assistant Chief, Design Section: G. E. Stranks..... 2-3682

Administrative Officer: A. D. Simmons..... 6-7818

Deputy Director Canadian Participation Brussels 1958: H. B. Scully..... 6-6795

## Export Credits Insurance Corporation

### Birks Building, 107 Sparks Street

President and General Manager: H. T. Aitken..... CE2-4828

Assistant General Manager: A. W. Thomas..... CE2-4828

Secretary: T. Chase-Casgrain..... CE2-4828

Economist: D. C. Taylor..... CE2-4828

Underwriter: S. Garrett..... CE2-4828

Credits Supervisor: C. A. Law..... CE2-4828

Claims Supervisor: F. G. Reynolds..... CE2-4828

Accountant: B. R. King..... CE2-4828

*Montreal Branch* 607 St. James St. West..... UN6-1268

*Toronto Branch* Rm. 1511, 55 York St..... EM4-5778

## Dominion Bureau of Statistics

### Tunney's Pasture, Ottawa

Dominion Statistician: Walter E. Duffett.....	2-6371, 2-2529
Assistant Dominion Statistician: J. T. Marshall.....	6-7695
Assistant Dominion Statistician: S. A. Goldberg.....	2-5458
Senior Research Statistician: N. Keyfitz.....	2-3562
Chief Administrative Officer: C. Scott.....	6-7368
Agricultural Division	
Director: C. V. Parker.....	2-4774
Census Division	
Director: O. A. Lemieux.....	2-2088
Education Division	
Director: E. F. Sheffield.....	2-5933
General Assignments Division	
Director: H. L. Allen.....	2-4052
Health and Welfare Division	
Director: F. F. Harris.....	6-6651
Information Services Division	
Director: C. C. Lingard.....	2-0418
Industry and Merchandising Division	
Director: H. McLeod.....	2-2125
International Trade Division	
Director: C. D. Blyth.....	6-8340
Labour and Prices Division	
Director: H. F. Greenway.....	6-7424
Mechanical Tabulation Division	
Director: W. I. Moore.....	6-8232
Public Finance and Transportation Division	
Director: G. A. Wagdin.....	2-5396
Research and Development Division	
Director: F. H. Leacy.....	2-3071
Special Surveys Division	
Director: A. B. McMorran.....	2-5570



## Appendix H

# Foreign Trade Service Abroad

As of January 1, 1957

Territory	Officer	City Address*
<b>Argentina</b>	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES
<b>Argentina</b> Paraguay	W. F. Hillhouse, Agricultural Secretary	
<b>Australia</b> (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada  Commercial Secretary	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY
<b>Australia</b> (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street MELBOURNE
<b>Belgian Congo</b> Angola, French Equatorial Africa	K. Nyenhuis, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.
<b>Belgium</b> Luxembourg	T. J. Monty, Commercial Counsellor  K. G. Ramsay, Assistant Commercial Secretary  J. R. Roy, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS
<b>Brazil</b>	V. L. Chapin, Commercial Secretary  H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO
<b>Brazil</b>	C. E. Butterworth, Consul and Trade Commissioner  G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO
<b>**Ceylon</b>	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Gardens, COLOMBO
<b>Chile</b>	L. D. Burke, Acting Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO

\*Mail, cable, and office telephone addresses of all these officers will be found in *Foreign Trade*, January 19, 1957 (pages 33-37) and periodically thereafter.

\*\*No Foreign Trade Officer at this post.

Territory	Officer	City Address
Colombia Ecuador	W. B. McCullough, Commercial Counsellor  A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25 Office 613, BOGOTA
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads, COPENHAGEN
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO
France Algeria, French West Africa, Tunisia	R. Campbell Smith, Commercial Secretary for Canada  A. L. Neal, Attaché J. H. Bailey, Assistant Commercial Secretary	3 rue Scribe, PARIS
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor  S. G. Barkley Commercial Secretary M. B. Blackwood, Assistant Commercial Secretary	Canadian Embassy, 22 Zitellmannstrasse, BONN
Germany	E. H. Maguire, Consul	Canadian Consulate, 69 Ferdinandstrasse, HAMBURG
Greece Israel, Turkey	A. B. Brodie Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner  J. R. Midwinter, Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY
**Haiti	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE
Hong Kong Formosa, Cambodia Laos, Viet Nam, Macao	C. M. Forsyth-Smith, Canadian Government Trade Commissioner W. M. Miner, Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG

\*\*No Foreign Trade Officer at this post.

Territory	Officer	City Address
India	Wm. Jones, Commercial Secretary J. H. Nelson, Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI
India	T. F. Harris, Canadian Government Trade Commissioner G. F. Mintenko, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Djl, Budi Kemuliaan No. 6. DJAKARTA
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via G. B. De Rossi 27 ROME
Italy	W. R. Van, Commercial Secretary	
Italy	K. F. Osmond, Commercial Secretary (Fisheries)	
Jamaica Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Barclays Bank Building, King Street, KINGSTON
Japan Korea	J. L. Mutter, Commercial Counsellor	Canadian Embassy, TOKYO
Japan	W. G. Pybus, Commercial Secretary	
Japan	J. E. Lancaster, Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT
Mexico	C. J. Van Tighem Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.
	C. O. R. Rousseau, Commercial Secretary	
Netherlands	B. C. Butler, Commercial Counsellor	Canadian Embassy, Sophialaan 5-7, THE HAGUE
	W. R. Hickman, Assistant Commercial Secretary	
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Ins. Bldg., WELLINGTON
	J. MacNaught, Assistant Commercial Secretary	
Norway Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO



Territory	Officer	City Address
<b>Pakistan</b> Afghanistan, Iran	R. K. Thomson, Commercial Secretary  J. D. Blackwood, Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd., KARACHI
<b>Peru</b> Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA
<b>Philippines</b>	H. L. E. Priestman, Consul General and Trade Commissioner  W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building Juan Luna Street MANILA
<b>Portugal</b> Azores, Madeira	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira No. 8—4°D° LISBON
<b>Rhodesia and Nyasaland</b> Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY
<b>Singapore</b> Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner  W. G. Huxtable, Assistant Trade Commissioner	Room E-3, Union Building, SINGAPORE
<b>South Africa</b> (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner  I. V. Macdonald, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG
<b>South Africa</b> (Cape Province) Southwest Africa	A. W. Evans, Canadian Government Trade Commissioner	602 Norwich House, The Foreshore, CAPE TOWN
<b>Spain</b> Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Tangier	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Espana, Avenida de Jose Antonio 88, MADRID
<b>Sweden</b> Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM
<b>Switzerland</b> Austria Czechoslovakia, Hungary	B. I. Rankin, Commercial Secretary  N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE

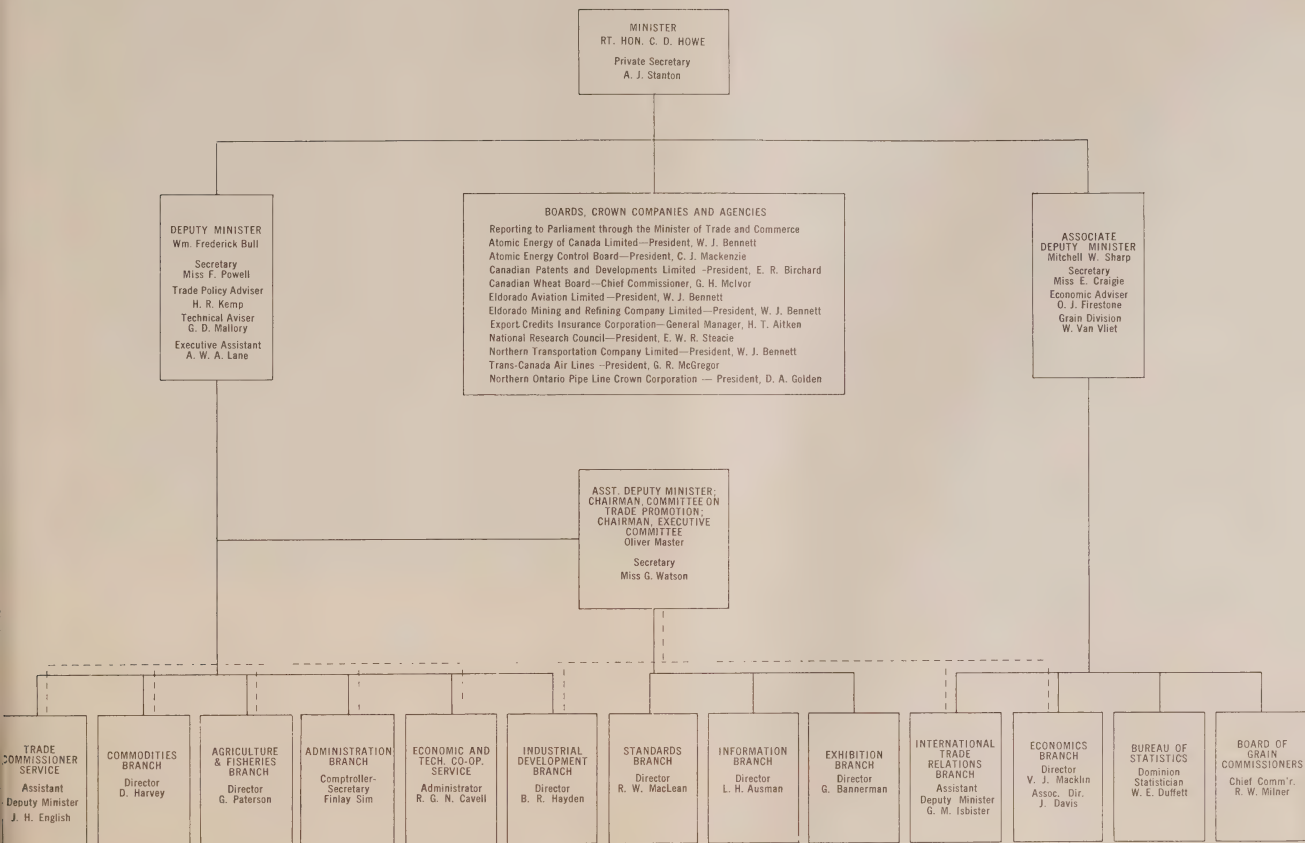
Territory	Officer	City Address
<b>Trinidad</b> Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner  P. T. Eastham, Assistant Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN
<b>United Kingdom</b> (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	H. L. Brown, Commercial Counsellor  G. H. Rochester, Commercial Counsellor (Timber)  D. A. B. Marshall, Commercial Counsellor (Agricultural) T. M. Burns, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.I.
<b>United Kingdom</b> (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL
<b>United Kingdom</b> (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST
<b>United States</b> Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Minister (Commercial)  Dr. W. C. Hopper, Agricultural Counsellor H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.
Washington		
<b>United States</b> (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Deputy Consul General (Commercial)  C. R. Gallow, Consul and Trade Commissioner H. E. Lemieux, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20
<b>United States</b> (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16
<b>United States</b> (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	G. A. Newman, Deputy Consul General (Commercial)  R. F. Renwick, Consul and Trade Commissioner  W. G. D'Arcy, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, 1412 Garland Building, 111 North Wabash Avenue, CHICAGO

Country	Agreement	Principal Terms
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner  A.A. Lomas, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26
United States California (the ten south- ern countries), Clark Country in Nevada, Arizona, New Mexico.	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12
United States California, (except the ten southern counties), Wyom- ing, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way SEATTLE 1, Washington
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7.. MONTEVIDEO
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary  A. G. Kniewasser, Commercial Secretary  W. G. Brett, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan Amercian, Puente Urapal, CARACAS



# DEPARTMENT OF TRADE AND COMMERCE

Chart of Organization — January, 1957.



— Direction and Control

- - - - - Co-ordination



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DEPARTMENT OF TRADE AND COMMERCE

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ANNUAL REPORT  
57











Sixty-Sixth

ANNUAL REPORT

Department  
of  
Trade and Commerce  
1957

The Hon. Gordon Churchill, *Minister*  
Mitchell W. Sharp, *Deputy Minister*



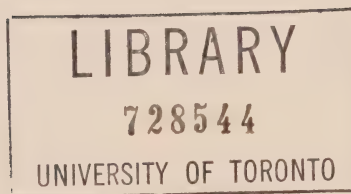
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1957

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1958



OTTAWA, March 1, 1958.

To His Excellency the Right Honourable Vincent Massey, C.H.,  
Governor General of Canada.

May it please your Excellency:

I have the honour to submit to Your Excellency the Sixty-sixth Annual Report of the Department of Trade and Commerce, covering the calendar year 1957.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

GORDON CHURCHILL  
*Minister of Trade and Commerce.*



OTTAWA, March 1, 1958.

The Honourable Gordon Churchill,  
Minister of Trade and Commerce,  
Ottawa, Ontario.

Sir:

I have the honour to submit the Sixty-sixth Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1957.

Your obedient servant,

MITCHELL W. SHARP

*Deputy Minister.*





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## PART I

# ECONOMIC REVIEW

### World Conditions

Free world production rose in 1957 but not as much as in the two preceding years. In most of the major trading countries economic activity levelled off during the latter part of the year and in some instances turned downward. International trade maintained a somewhat firmer trend than overall production. However, world markets for most raw and processed materials softened during the year. In addition, measures adopted by the United States to dispose of agricultural surpluses adversely affected sales of other countries exporting farm products. These external conditions had a dampening effect upon the expansionary forces which had sparked Canada's rapid growth in preceding years. Accordingly, the pace of economic activity eased more in Canada than in most other industrialized countries.

### General Activity in Canada

Canada's Gross National Product in 1957 reached \$31.1 billion, 3½ per cent above the 1956 figure. Nearly all of this increase was a reflection of higher prices; the overall volume of physical production showed little change. Crop production was considerably lower, however, and non-agricultural output increased slightly.

Divergent trends prevailed in the major segments of industry. Activity in the principal service lines, with few exceptions, continued to expand, though less rapidly toward the end of the year. Although total production in mining, forestry and manufacturing had been declining throughout most of the year, output of many of the major products of these industries was higher on the basis of a year-over-year comparison. Commodities produced in greater volume in 1957 compared with 1956 included petroleum products, asbestos, nickel, cement, primary iron and steel, food and beverages, clothing and leather footwear, chemicals, many types of machinery and railway transportation items. On the other hand output declined in the case of most non-ferrous metals, coal, forest products, primary textiles, motor vehicles, and household appliances.

Total employment averaged about 2½ per cent higher in 1957 than in 1956 but the margin of increase had almost disappeared by the end of the year. Despite this rise in the number of persons with jobs, unemployment also increased. For the year as a whole the number of persons without jobs and seeking work amounted to 4.3 per cent of the labour force, a considerably higher proportion than in the previous year. More manpower became available in 1957 than in any previous post-war year, Canada's labour force having increased by 210,000 persons. Approximately 282,000 immigrants

entered Canada during 1957 compared with 165,000 in 1956 and 194,000 in 1951, the previous post-war high. More than one-half of this number represented employable persons, the rest consisting of dependents. The great bulk of these new Canadians arrived during the spring and summer months and despite softer labour market conditions nearly all were quickly absorbed into jobs.

## Incomes and Consumption

The financial position of individual Canadians, on the average, was well maintained in 1957. Personal incomes rose more in fact than did other forms of income. Total labour income turned moderately downward in the closing months of the year but for 1957 as a whole increased 7.4 per cent from the 1956 level. Interest, dividends, rentals and other forms of personal investment income showed a slightly higher rate of increase. Earnings in the professions and in small businesses generally were sustained. Social security payments, which normally reflect population changes, were further increased by higher pension rates. Extension of seasonal benefits under the unemployment insurance regulations provided additional support to unemployed persons toward the close of the year. Alone of the principal forms of personal income, returns to farmers were lower in 1957 than in the preceding year. However, at year-end, improving market prospects for wheat and rising production of animal products indicated an early reversal of this trend. Meanwhile the provision for advances on farm-stored grain helped to bolster the cash position of Western farmers.

Overall personal income increased by about 5½ per cent in 1957 compared with 1956. Consumer prices between these two periods rose by more than 3 per cent. Accordingly, the real purchasing power of incomes available to consumers rose by about 2 per cent and on a per capita basis declined slightly. This generally firm income position provided the basis for a moderate improvement in total consumer sales. Spending on services, food and other soft goods increased. On the other hand outlays for durable items as a group fell below the 1956 level. Consumer credit which had risen markedly in the preceding years showed little further increase during 1957. Total personal saving rose moderately.

## Capital Expansion

The year 1957 witnessed the culmination of a surge of business expansion centered in material-producing industries and extending to all segments of the economy. This wave of capital spending had begun in 1955 as a result of world-wide pressure for more materials and a steadily broadening base of proven resources within Canada. During this period whole new mining areas have been opened up and capacity has been substantially increased in all major resource-based industries including pulp and paper, non-ferrous metals, primary iron and steel, chemicals, building materials and petroleum and natural gas; also in supporting facilities such as hydro-electric power and



transportation. By 1957 softening in world commodity markets and easing demands generally lessened the pressure for new production outlets. During the course of the year, therefore, the volume of new expansion programmes initiated fell off markedly. At the same time the large carryover of work on projects started earlier resulted in a level of capital spending well above that of any previous year.

Total capital outlays, both private and public, rose to \$8.7 billion in 1957 from \$8 billion in 1956. Rising investment costs contributed to this increase but after allowing for this factor, capital investment in volume terms increased by 6 per cent. Larger outlays by utility groups accounted for most of the increase. Expenditures by service establishments, institutions and governments also rose considerably. With respect to the principal investment product categories, outlays for non-residential construction increased by 21 per cent, purchases of machinery and equipment rose by 3 per cent and the volume of new housing put in place declined moderately.

For the year as a whole 122,000 housing units were started compared with 127,000 in 1956; completions numbered 117,000 compared with 136,000 in the preceding year. However, housebuilding activity rose sharply in the latter part of the year in response to new federal measures which made available a substantial volume of funds for mortgage loan purposes. In addition, new stimulus was given to the demand for housing by the reduction of down-payments and the lowering of income eligibility requirements on loans financed under the National Housing Act. By the last quarter of the year starts had risen to an annual rate in excess of 140,000, the highest rate ever achieved for this time of the year.

**Private and Public Expenditures on New Construction and Machinery  
and Equipment, 1956 and 1957**

Type of Enterprise	Capital Expenditures		Percentage Change 1956 to 1957
	1956	1957	
	Millions of Dollars		
Agriculture and fishing .....	488	481	— 1
Mining, quarrying and oil wells .....	542	585	+ 8
Forestry and the construction industry.....	276	204	—26
Manufacturing .....	1,394	1,426	+ 2
Utilities .....	1,724	2,313	+34
Housing .....	1,575	1,415	—10
Trade: Wholesale and Retail.....	325	380	+17
Finance, insurance and real estate.....	124	143	+15
Commercial services .....	162	196	+21
Institutional services.....	402	443	+10
Government departments .....	1,012	1,135	+12
Total .....	8,024	8,721	+ 9
Construction .....	5,301	5,921	+12
Machinery and equipment.....	2,723	2,800	+ 3



## Foreign Trade

### Summary

The rapid increase in Canadian exports and imports, which began with the recovery of the North American economies from the recession of 1953-54, slowed down during 1957. Nevertheless the value of total trade (exports plus imports) which reached \$10,559 millions was maintained at last year's level. Exports attained the record value of \$4,936 millions, an increase of 1.5 per cent. Imports declined by almost the same extent, to \$5,623 millions, a drop of 1.4 per cent, most of which was concentrated in the last quarter of the year.

Summary Statistics of Canadian Trade

	1955	1956	1957	Percentage Change 1956 to 1957
Millions of Dollars				
Value of Trade:				
Exports .....	4,351	4,863	4,936	+1.5
Imports .....	4,712	5,705	5,623	-1.4
Balance of Trade .....	-361	-842	-687	
Price Indexes:		1948 = 100		
Exports .....	117.7	121.3	121.7	+0.3
Imports .....	110.5	113.0	116.6	+3.2
Terms of Trade .....	106.5	107.3	104.4	-2.7

### Leading Commodities

The very small movements in the overall levels of Canadian trade between 1956 and 1957 were, however, accompanied by some important modifications in the composition of commodity exports and significant shifts in the geographical sources of imports.

Most export items were subject to relatively large movements in 1957, either up or down. Wheat grain exports declined by \$133 millions in calendar 1957 although evidence of a fairly strong recovery occurred in the last quarter. Lumber sales continued to fall in response to weaker markets, more intense competition and, in the early months of 1957, excessively high cargo freight rates. Copper, lead and zinc faced a much reduced world demand in 1957 and although actual volume shipments did not fall severely, lower prices reduced export values by a little over \$50 millions for the three metals together.

The much larger production of uranium, nearly all of which is contracted for by the United States government, resulted in an increase of \$82 millions in export sales. Cattle exports rose by over \$40 millions as the recently drought-stricken areas of the American mid South-west began to build up feeder herds. Early in the year the disruption of international oil flows resulting from the closing of Suez, brought a temporary upsurge in petroleum exports to the United States. Larger shipments of primary iron and steel to Japan and to Latin America and also increased sales of locomotives to the latter area, were realized during the year. A higher price for nickel raised the annual export value of this commodity.

The total movements in these commodities were largely offsetting and while no great change occurred in overall values as a result, the volatility of Canadian export patterns was clearly illustrated.

On the import side major movements in total value or in commodity composition did not take place until the later months of 1957. The real significance in overall import movements lay in the very much reduced rate of increase; between 1955 and 1956 Canadian imports rose by roughly one billion dollars. From January to May 1957, compared to the same five months of 1956, imports had increased by about \$100 millions. From June to September comparable import values in 1957 declined moderately by \$35 millions, and then in the last quarter of 1957 more steeply by \$140 millions. This change in the trend of imports was the result largely of lower imports of automotive goods, primary iron and steel and related products, industrial machinery and electrical equipment.

### Leading Commodities in Canada's Trade

	Millions of Dollars			Percentage of Total		
	1955	1956	1957	1955	1956	1957
Domestic Exports						
Commodity						
Newsprint .....	666	708	715	15.6	14.8	14.8
Wheat Grain .....	338	513	380	7.9	10.7	7.8
Wood Pulp .....	297	305	292	6.9	6.4	6.0
Planks and boards.....	385	326	282	9.0	6.8	5.8
Nickel and products.....	215	223	248	5.0	4.7	5.1
Aluminum and products.....	213	236	230	5.0	4.9	4.8
Copper and products.....	175	206	169	4.1	4.3	3.5
Iron ore .....	100	144	152	2.3	3.0	3.1
Crude petroleum .....	36	104	141	.8	2.2	2.9
Fish and fish products.....	125	130	130	2.9	2.7	2.7
Uranium ores and concentrates	27	46	128	.6	1.0	2.6
Primary and semi-finished steel	81	83	119	1.9	1.7	2.5
Asbestos and products .....	98	104	109	2.1	2.2	2.3
Domestic Imports						
Commodity						
Machinery (non-farm) .....	446	629	632	9.5	11.0	11.2
Petroleum, crude .....	231	272	306	4.9	4.8	5.4
Automobile parts (ex. engines)	247	285	260	5.2	5.0	4.6
Electrical apparatus n.o.p. ....	227	257	249	4.8	4.5	4.4
Rolling mill products (steel) ....	130	235	221	2.8	4.1	3.9
Farm implements and machinery .....	178	232	202	3.8	4.1	3.6
Petroleum products n.o.p. ....	144	153	150	3.1	2.7	2.7
Pipes, tubes and fittings .....	50	123	148	1.1	2.2	2.6
Fruits .....	121	134	139	2.6	2.3	2.5
Engines and boilers .....	110	132	138	2.3	2.3	2.5
Automobiles, freight and passenger .....	114	171	136	2.4	3.0	2.4
Coal .....	107	129	118	2.3	2.3	2.1
Cotton products .....	87	101	104	1.8	1.8	1.8

This much smaller growth and eventual decline in imports directly reflected the slower pace of expansion in Canadian plant investment and declining industrial activity which became more pronounced as the year progressed.

### *Trade with the United States*

The most notable development in Canadian-American trade during 1957 was the decline in imports from the United States into Canada. During the first quarter these continued to increase, but then fell steadily for the remaining months of the year, particularly in October and November, when slackening economic activity in Canada limited demand for capital goods and automotive imports.

As a consequence, for the first time in four years, Canadian imports from the United States fell on a year-over-year basis. While the overall decline was not great, \$163 millions or 3.9 per cent, it may be significant that the decline in the last quarter alone was \$161 millions which represented a 15 per cent drop from the same period a year earlier. The American share of the Canadian market was reduced from 73.0 per cent in 1956 to 71.1 per cent in 1957.

There was a moderate increase in Canadian exports to the United States in 1957 amounting to \$64 millions or a little over 2 per cent. Gains in uranium, beef cattle and crude petroleum offset declines in other commodities. The American share of Canadian export trade (59.6 per cent) was fractionally higher than in 1956.

### *Trade with the United Kingdom*

Exports to the United Kingdom declined by \$75 millions or slightly more than 9 per cent during 1957, due to smaller shipments of wheat grain, softwood lumber, aluminum, lead and asbestos. This was the largest change in the geographical distribution of Canadian exports between 1956 and 1957, and reduced the proportion of Canadian exports going to the United Kingdom from 17 per cent to 15 per cent.

The economic strains of Suez and a slower rate of economic expansion later in 1957 adversely affected the sale of foreign goods in the United Kingdom market. Rigid credit controls, stockpile releases, competition from American barter programmes, and direct competition from the Soviet Union in some commodities, reduced the potentialities for Canadian exports in particular.

On the import side, the opposite movement took place. The sale of United Kingdom goods in Canada rose by \$37 millions or 7.6 per cent, chiefly in such items as steel wheels for railway cars, pipe, some rolling mill products, aircraft, diesel engines, automotive goods and tractors. The share of the Canadian import market supplied by Britain rose in consequence—to 9.3 per cent from 8.5 per cent in 1956.

## Trade with Other Commonwealth Countries

No fundamental changes took place in Canada's trade with the other countries of the Commonwealth during 1957. They continued to buy about 5 per cent of Canada's exports and to supply 4 per cent of Canadian import requirements. Sales to South Africa did decline in 1957, almost entirely because of lower wheat exports. As a consequence the Union, normally the largest Commonwealth market outside the United Kingdom, gave place to the British West Indies and Australia. The moderate increase in total imports from the Commonwealth resulted from larger sugar purchases mainly from the British West Indies.

## Trade with Other Countries

Trade with other foreign countries, of which by far the most important are West Germany and Japan, underwent few modifications in 1957. The export trend was moderately upwards due in part to higher sales of aircraft to West Germany and Belgium, of wheat grain to the Netherlands and oil-seeds and aluminum to Italy. The transfer of ship registrations to Panama and locomotive sales to Brazil and Argentina raised export sales to Latin America.

Imports from these countries again moved moderately upward, automotive and iron and steel purchases from Western Germany being an important contributing factor.

Together these countries provided 20 per cent of Canada's export market in 1957 compared to 19 per cent in 1956 and provided 15 per cent of Canada's import requirements in both years.

### Direction of Canadian Trade

	1955	1956	1957	1955	1956	1957
	Millions of Dollars			Percentage of Total		
Total Exports to:						
United States .....	2,612	2,879	2,943	60.0	59.2	59.6
United Kingdom .....	774	818	743	17.8	16.8	15.1
Other Commonwealth & Ireland .....	251	255	245	5.8	5.2	5.0
Other Europe .....	383	531	555	8.8	10.9	11.2
Latin America .....	162	177	228	3.7	3.6	4.6
Others .....	168	202	222	3.9	4.3	4.5
Total Imports from:						
United States .....	3,452	4,162	3,999	73.3	73.0	71.1
United Kingdom .....	401	485	522	8.5	8.5	9.3
Other Commonwealth & Ireland .....	210	222	240	4.4	3.9	4.3
Other Europe .....	204	297	314	4.3	5.2	5.6
Latin America .....	319	362	380	6.8	6.3	6.7
Others .....	126	179	168	2.7	3.1	3.0



## Balance of Payments

The increase of \$73 millions in Canadian exports and the decrease of \$82 millions in imports during 1957 reduced the merchandise deficit with all countries to \$687 millions from \$842 millions in the previous year.

Changes in commodity trade with the United States improved the Canadian position by \$227 millions, leaving a merchandise deficit with that country of \$1056 millions. Canada's trade surplus with the United Kingdom was reduced to \$221 millions from \$333 millions—an appreciable strengthening of the British position vis-a-vis the dollar area.

When the other elements of the current balance of Canadian international payments are taken into account the overall deficit for 1957 was \$1383 millions compared to \$1372 millions in the preceding year.

## PART II

### ADMINISTRATION BRANCH

Under the supervision of the Comptroller-Secretary, this Branch provides administrative services to all branches and divisions of the Department. It maintains liaison with the Privy Council, the Treasury Board, the Civil Service Commission, the Department of Public Works, the Clerk of the House of Commons, and the Clerk of the Senate, and is responsible for the preparation of Parliamentary papers.

#### Personnel

The Personnel Division maintains the staff records necessary for the effective administration of the Department's personnel program. It renders service to line officers in such ways as the recruiting of new staff, the conducting of promotion competitions and establishment reviews, by encouraging employee development, by making arrangements for the payment of salaries, by administering employee welfare plans and superannuation matters, and by maintaining liaison with the central personnel agencies.

During 1957, in addition to the normal activity of the Division, special attention was given to the provision of staff required by Canadian participation in the Brussels World's Fair, 1958, and to studies on the need for, and feasibility of, introducing pension plans for locally engaged employees at posts abroad. A continued high rate of employee turnover and general departmental activity placed increased work demands upon the staff of the Division.

Several important changes in personnel of senior rank occurred. Mr. Wm. Frederick Bull, was appointed Ambassador to Japan and was succeeded as Deputy Minister by Mr. Mitchell W. Sharp, formerly Associate Deputy Minister. Mr. Oliver Master, Assistant Deputy Minister, retired after more than 43 years' service. Mr. Hubert R. Kemp, of the office of the Deputy Minister, was granted leave of absence for one year, to proceed to Colombo to help organize an economic advisory service in the Ministry of Commerce, Government of Ceylon.

Appendix "A" tabulates the distribution of departmental staff.

#### Central Transcription Service

This departmental unit serves all branches of the Department in Ottawa in rendering regular and ad hoc typing and stenographic services. In addition, it is employed as a training area for the more responsible typing and stenographic positions which from time to time become available throughout the various branches of the Department.

## Financial Section

The Financial Section has administrative responsibility for preparing requests for funds and for controlling expenditures.

Forecasts of financial needs were drawn up for each branch of the Department, analysed for soundness, and presented to the Deputy Minister and the Minister for consideration prior to submission to Treasury Board and Parliament. Expenditures were controlled throughout the year by analysis of the necessity and reasonableness of each undertaking prior to commitment, and again afterwards when accounts were submitted.

Continuous liaison was maintained with the Department of Finance in order to ensure that departmental practices were in accordance with government policy.

Appendix "B" contains a summary of the Department's expenditure and revenue for the year ended March 31, 1957; and comparative statements of expenditure, and statements of revenue, for the fiscal years 1954-55, to 1956-57.

## Records Division

The Records Division provides records, mail and messenger service to all branches of the Department at Ottawa. Although operating under centralized control, the division is organized in nine sections, five of which are located at headquarters and four in various parts of the city.

Responsible for the custody and maintenance of more than 225,000 departmental files, in 1957 the Division recorded, distributed and filed 354,314 pieces of correspondence, delivered 32,284 by-hand messages within the city, and dispatched 258,280 pieces of mail from the departmental mail room.

During the year, 374 lineal feet of old records were cleared from departmental file storages by destruction or by transfer to the Public Archives Record Centre.

## Equipment and Stationery Division

The Equipment and Stationery Division deals with the procurement, warehousing and supply of all printing, stationery, equipment and furniture. Liaison is maintained with the Department of Public Printing and Stationery, (Queen's Printer), and the Department of Public Works.

The general work load of the Division showed an increase over the previous year.

During the year, 6,087 internal requisitions were processed. Shipments to Trade Commissioner offices abroad were larger: in 1957, stationery and supplies having a gross weight of approximately 33 tons, and packed in 338 cases, went overseas. There were 2,150 shipments to offices of the Department in Canada.

The Purchasing Unit operated to buy furniture, appliances and equipment for the Department's foreign offices, was active due to the opening of new offices and the continuing program of gradual replacement of furniture.

The Duplicating Section maintained the high production level attained in 1956. During 1957, it handled approximately 27,000 duplicating and stencil jobs involving over 5,500,000 copies.

Liaison with the Department of Public Works continued in regard to the detail work of planning and design for the interior of the new Trade and Commerce Headquarters Building at Ottawa. Present plans indicate that the building will now be ready for occupancy towards the end of 1958.

## Library

The Library provided service mainly to members of the Department of Trade and Commerce, however, research workers from the Department of Defence Production, the Tariff Board, and Atomic Energy of Canada Ltd., to mention only a few, also used the facilities.

1957 was a very busy year for reference work, especially on the topics of foreign investments, wheat, oil, power, and domestic and foreign commerce. The bibliographies and indexes compiled by the Library staff were consulted very extensively, thus justifying the considerable amount of time devoted to their preparation. Twenty-two bulletins, indicating new acquisitions and articles of interest in the major periodicals and newspapers, were compiled (grouping 3,845 items by subjects) and distributed to 125 readers. A total of 3,033 new cards was added in the main catalogue and 3,671 clippings on economic subjects were included in the clipping collection.

Co-operation with other libraries continued as in previous years through the exchange of information, loans or gifts. 700 cards listing new acquisitions were sent to the National Library for inclusion in the Union Catalogue, 207 books were made available on inter-library loans, and 325 items were presented to other government or university libraries for their collections.

The circulation of periodicals and newspapers within the Department was kept at an even flow during the year, while 3,297 government documents and 1,055 books were lent.

## AGRICULTURE AND FISHERIES BRANCH

The main functions of the Agriculture and Fisheries Branch have to do with trade promotion in agricultural and fisheries products. In addition the Branch is concerned with the programming, reviewing and disseminating of information on foreign agriculture and fisheries. This information, received from officers of the Trade Commissioner Service, is collated and distributed to the Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board and other interested government departments and boards, both federal and provincial, as well as to the trade.



During 1957, the Branch received a large volume of enquiries related to foreign trade in agricultural and fisheries products. It kept the Trade Commissioners informed on developments in Canada affecting the many commodities for which the Branch is responsible.

In the course of their duties, officers of the Branch visited many parts of Canada during the year. Several tours of the Maritime Provinces were made in connection with the fisheries, apple and potato industries. Various points in Ontario and Quebec were also visited and discussions were held with those interested in many of the commodities of concern to the Branch. In addition, visits were made to the Prairie Provinces in connection with the marketing of grain. The Assistant Director of the Branch attended meetings of the FAO Grains Group and the FAO Committee on Commodity Problems in Rome during March and October. During the latter trip he also attended the 9th session of the FAO Conference as well as meetings of the International Wheat Council.

The Director of the Branch had occasion to address a number of meetings during the year including the National Farm and Ranch Congress held in Denver, Colorado, the Canadian Potato Industry Conference, as well as a group of Ontario beef cattle farmers.

During the year, the Branch received many visits from members of the trade seeking advice and assistance in connection with export and import trade. The Branch was also approached by a number of provincial government officials as well as visitors from abroad. Branch members attended annual meetings of 12 national associations, representing almost all phases of the food industry.

A resumé of the activities of the three Divisions of the Branch together with highlights in production and trade are contained in the following sections.

## FISHERIES DIVISION

A close liaison was maintained with the Department of Fisheries, as well as the Fisheries Council of Canada and its member organizations from coast to coast, in order to ensure that the best possible service was provided to the industry. Several important meetings were held with the trade during the year—and special surveys were conducted on the spot in major markets for Canadian fisheries products. The Chief, Fisheries Division, made addresses at trade association meetings and visited various sectors of the industry, so that he could ascertain at first hand any difficulties facing the trade.

### Information Service

Trade Commissioners world-wide, as well as fisheries specialists located in strategic areas, reported at regular intervals on production and market trends in their respective territories. This information was condensed and transmitted to both the industry and federal and provincial government

fisheries officials from coast to coast. During the year over 225 special market and production bulletins were released by the Fisheries Division in this connection. Articles on markets for Canadian fisheries products were prepared for publication in "Foreign Trade" and trade publications.

### Exhibitions

An outstanding fisheries products display was held in the Canadian Showroom, Rockefeller Centre, New York City, during September and October—and over 40 leading producers and packers across Canada participated. A large number of important United States purchasers of fish visited the display and many foreign buyers were also present. All forms of Canadian fisheries products were exhibited, including fresh, frozen, smoked, dried, salted, pickled, and canned fish.

Assistance was also furnished to the fishing industry by bringing Canadian fish and fish products to the attention of prospective purchasers through special displays at several European trade fairs.

### Interdepartmental Fisheries Trade Committee

An Interdepartmental Fisheries Trade Committee, composed of representatives of all government departments concerned with fisheries matters, met periodically during 1957 to consider and review various aspects of the production of, and markets for, Canadian fisheries products. The preparation of the agendas and minutes was handled by the Fisheries Division.

### Newfoundland Fisheries Board

The Department of Trade and Commerce again supervised the marketing activities of the Newfoundland Associated Fish Exporters, Limited, (NAFEL), and, in cooperation with the federal Department of Fisheries, administered the various functions of the Newfoundland Fisheries Board. NAFEL continued to be the sole exporter of dried salt cod from Newfoundland, this privilege being granted, subject to certain conditions, in order to ensure orderly marketing of salt cod in that province. In addition, marketing assistance was also provided to the entire Atlantic coast salt fish trade.

### Landings

The overall landings of sea fish and shellfish for the calendar year 1957 declined by 12 per cent to 1.82 billion pounds compared with 2.05 billion pounds in 1956—and the landed value fell by 13 per cent to \$79.1 millions from \$91.3 millions. The decline was more significant in British Columbia than for the Atlantic coast provinces—and reflected a loss of income from all major Pacific fisheries.

### Exports and Imports of Fisheries Products

The exports of fisheries products for the twelve months of 1957 were valued at \$132.5 millions in comparison with the all-time record high of \$133.7 millions in 1956. Exports of fresh and frozen fish products were

up generally as well as those of salted groundfish (cod and related species). However, returns were lower for canned sockeye and pink salmon, herring oil and meal.

The value of imports of fisheries products during the twelve months of 1957 reached \$16.5 millions as against \$16.9 millions in the corresponding period in 1956. The major items included imports of canned salmon from Japan to help supplement the domestic stocks of sockeye salmon, in particular, which have been depleted in the past few years because of disappointing runs in the Canadian west coast salmon fishery. Canned shellfish from the United States and canned sardines from Norway were imported into Canada in considerable quantities, while sales of South African rock lobster (ocean crawfish) were lower.

### Fresh and Frozen Fish

Overall exports of Atlantic, Pacific, and Inland fresh and frozen fish were higher—and shipments of seafish fillets and blocks continued to gain, especially cod and haddock fillets. Of added significance was the increased volume of exports of freshwater fish fillets.

Stocks of frozen fish at the outset of 1957 were somewhat higher in both Canada and the United States compared with the previous marketing year. However, the position improved during the year—and United States imports of fresh and frozen groundfish fillets and blocks (cod and related species) for the twelve months of 1957 totalled 141.3 million pounds. This was an increase of 2.6 million pounds in comparison with the corresponding period of 1956. Canada, supplying 108.3 million pounds, was the source of 77 per cent of the total imports, followed by Iceland with 22.4 million pounds or 16 per cent, while Norway and Denmark together accounted for a total of 5 per cent. The remaining 2 per cent was supplied by the Netherlands, France, West Germany, Greenland, and St. Pierre and Miquelon.

The settlement of the Icelandic-United Kingdom fisheries dispute in the late fall of 1956, and the consequent resumption of Icelandic shipments to the United Kingdom, together with important shipments of frozen fillets by Iceland to Russia (32,000 metric tons), Czechoslovakia (6,000 metric tons), and East Germany during 1957 resulted in a stronger United States demand for fresh and frozen fish from Canada.

Large quantities of Canadian frozen blocked fish continued to be required by United States manufacturers of fish sticks. It is felt that the introduction of voluntary continuous in-plant inspection and grading of fish sticks in the United States has created a greater consumer demand for cooked fish sticks, in particular. It is regrettable that prohibitive United States tariffs on the finished product preclude any quantities being exported from Canada to that market, in this form.



## Salted Fish

Production of salted groundfish in Canada, as well as in most of the other important producing nations, was lower in 1957. In addition, there was again no excessive carry-over of stocks either in the supplying countries or in the world markets at the end of the previous marketing season. Consequently, a firm demand faced Canadian exporters earlier in the year.

An encouraging feature in October was the increase in the retail price ceiling in the largest single outlet for Canadian salt cod—Puerto Rico—and the firmer demand in Cuba. However, Canadian exporters encountered some difficulty in Jamaica during the fall months. The local authorities insisted that the retail price ceiling on salt cod should remain at 1s. 6½d. per pound. As a result, few supplies were shipped—and the Jamaican Government then authorized its Trade Administrator to deal in salt cod. On October 30th, he called for tenders for the supply of 4,800 tons of dried salt cod “of fair average quality” from all sources. The contract was awarded to a group of Canadian exporters—and the Jamaican retail price ceiling on salt cod was subsequently raised to 1s. 7d.

A matter of continuing concern was the lack of sales of salt cod to the former important outlet of Brazil. Very little salted fish has been imported into Brazil from Canada in recent years, partly because the premium, or “agio”, paid for United States dollars at the daily auctions has been quite high compared with the premium paid for other currencies,—such as those of the limited convertibility group (United Kingdom, Germany, Belgium, Holland, Luxembourg, France, Denmark, and Sweden)—and partly because of Brazil’s special trading arrangements with Norway. Nevertheless, every effort was made, and still continues to be made to obtain equal treatment for Canadian salt cod so that our exporters may participate in the market.

Under Canada’s Trade Agreements, arrangements were again concluded with the Governments of Spain and Portugal for dollars to be provided for the purchase of Canadian salt cod. However, little progress was made in Portugal because of depressed prices in the Portuguese market. Italy purchased larger quantities in 1957 than in the previous season. On the other hand, increasing catches in recent years by the Portuguese, Spanish, and French fishing fleets have reduced the demand in European outlets for large supplies from Canada.

Shipments of smoked herring bloaters and pickled alewives to the important Haitian market during 1957 were down compared with such exports last year, because of the business depression and less buoyant economic conditions generally in that country. However, the market for salted pollock, salted hake, and bloaters was fairly firm in the Dominican Republic. Jamaica proved to be a good outlet for pickled mackerel and herring with increased shipments being made.



## Canned Fish

The Pacific coast salmon pack improved for all varieties except coho and sockeye—the latter being the lowest since 1943. However, it was the cycle year for pink salmon which reached 751,000 cases, although it was smaller than the comparative 1955 pink pack of 831,000 cases. The overall west coast salmon output was 1.44 million cases compared with 1.11 million cases in 1956. All indications are that 1958 will be a bumper year for sockeye.

The value of exports of canned salmon for the twelve months of 1957 was lower than the previous year, amounting to \$11.3 millions as against \$15.0 millions in 1956. Leading outlets were the United Kingdom, New Zealand, Belgium, United States, Australia, Italy, South Africa and France. The United Kingdom allocation for imports of canned salmon from North America amounted to £3.5 millions C.I.F., which was an increase of £200,000 over the previous period. Shipments are made during the season 1957-58. An allotment of dollars was also made by Italy for imports of canned salmon from Canada during the same period—and Australia made a similar provision. Imports into New Zealand and the British Caribbean were under World Open General Licence. There were no restrictions on imports into Belgium and the Netherlands.

Exports of canned sardines were higher in 1957 with significant quantities going to Jamaica, South Africa, Trinidad, Australia, Cuba, British Guiana, Dominican Republic, Barbados, Panama, and New Zealand, in order of magnitude. Imports into New Zealand were under World Open General Licence, exports to Australia were still subject to an import quota. There was a strong demand for Canadian sardines, generally, in all markets.

## Shellfish

Landings of lobsters were down in each of the Atlantic coast provinces compared with the previous year—and, while shipments in the live and fresh boiled forms were more valuable, important quantities were put up in tins.

Provision was again made for the import of canned lobster and lobster paste into Great Britain under the United Kingdom Token Import Scheme—and, in addition to the important United States market, quantities were also shipped to Sweden, West Germany, Belgium, the Netherlands, and Switzerland.

Exports of fresh or frozen scallops were higher, although there was a decline in sales of clams and oysters. The overall value of exports of molluscs and crustaceans during 1957 reached \$20.4 millions in comparison with \$20.6 millions in 1956.

## By-Products

Landings of British Columbia herring were down by 40 per cent compared with the enormous output last year—and the reduction was due in

some respects to a wage dispute between the fishermen and the operators or company producers. Consequently, exports of Pacific coast fish meal and oil were considerably lower. The main outlets for herring meal in 1957 were, the United States, Philippines, Venezuela, the United Kingdom and Hawaii—while shipments of the Atlantic products were made chiefly to the United Kingdom and the United States.

Exports of Pacific coast herring oil and Atlantic coast cod liver oil were marketed mainly in the United States, although important quantities of both fish meals and fish oils were also consumed in Canada. Some shipments of halibut liver oil, for pharmaceutical use, were made to the United States, United Kingdom, and West Germany, while whale oil found outlets in both the United States and Sweden. Fish livers viscera for oil, fish scales, fish skins, fish solubles, and seaweeds were in demand in the United States.

## FOOD AND AGRICULTURE DIVISION

The Food and Agriculture Division has three functions. Its prime concern is the promotion of trade in a wide variety of agricultural products but excluding those products marketed through the Canadian Wheat Board. The Division is also responsible for a reporting service on agriculture in foreign countries, and maintains a system of commercial intelligence reporting on matters affecting Canada's trade in agricultural products. A third function of this Division is liaison with other government services both federal and provincial on commodity problems as they relate to trade; there is a wide range of topics on which valuable interchange of information takes place.

The agricultural reporting service is largely based on the requirements of the Department of Agriculture and the Dominion Bureau of Statistics. Additional reports are received for inclusion in the Department's magazine "Foreign Trade". In order to meet these requirements, offices abroad are requested to forward reports on a scheduled basis. These scheduled reports are supplemented by means of "Food and Agriculture Notes" which supply information of current interest. In 1957 emphasis was placed on receiving timely reports on crop conditions and harvests in foreign countries for use by industry in determining market prospects. During the past year, the Division received some 100 major reports and 700 food and agriculture notes, supplemented by many bulletins and news clippings from Trade Commissioners abroad.

Trade in agricultural products is complicated by many factors. Most countries of the world assist their own agricultural industry by means of subsidies, price supports, or by other means which lead to restrictions on imports in one form or another. Often the severity of these restrictions varies according to production within the country and these changes are brought to the attention of the Canadian industry. Additional complications

arise from a variety of regulations relating to health and sanitary requirements, grading, labelling and such matters; these regulations frequently differ from country to country. Other problems are encountered because of the perishable nature of agricultural products. Imports of agricultural products in many countries are carried out by government agencies directly or by a system of licensing often creating problems that can be solved only by bilateral governmental consultation.

In order to overcome problems of the nature described above, this Division often operates as a liaison agency between the Trade Commissioners abroad, the various Departments concerned, other Branches of this Department and the agricultural industry. Many of the enquiries from abroad are requests for information or publications on Canadian agriculture and this Division frequently acts as the collection and distribution centre. Because of the large number of firms operating in the agricultural industry and the diversity of operations of many of these, Trade Commissioners frequently prefer to channel enquiries through the Agriculture and Fisheries Branch.

As a measure of interest in promotion of sales through trade fair displays, questionnaires were sent to over one hundred of the firms listed in the Department's Exporters' Directory. Of the 70 per cent of the questionnaires which were returned, about 40 per cent expressed an interest in exhibiting in trade fairs. The majority of those firms not wishing to participate in trade fairs felt that this type of activity did not fit in with their selling operations. Many processors are interested in exports only when large crops are harvested leading to excessive supplies on the home market. The main areas of interest were the Commonwealth countries, particularly the United Kingdom and the British West Indies, followed by European countries and the United States.

Members of the Division again served on a number of Interdepartmental Committees in connection with the preparation of the Situation and Outlook Issue of "The Current Review of Agricultural Conditions in Canada". Of particular note has been the organization of the Interdepartmental Committee on Fur Promotion; a report on these activities is included in the fur commodity report.

In order to consolidate all food under the one Branch, Mr. E. B. Paget was transferred from the Commodities Branch to the Agriculture and Fisheries Branch, bringing with him the section on imported foods. Fats and oils, with the exception of the industrial oils, have also been transferred to this Branch.

Mr. George Hazen joined the Commodities Branch and was replaced as the commodity officer on furs by Mr. D. H. Burns, formerly of the Department of Agriculture. Mr. Burns recently returned from a two-year posting in Washington, D.C., where he was Assistant Agricultural Secretary.



## **Plant Products**

### *Fruits*

For the first time since pre-war days, Canada exported substantial quantities of apples to continental Europe. This trade was an outcome of short crops in Europe due to unfavourable weather. In 1957, again, the United Kingdom established a combined quota for apples from North America of £1,250,000 f.o.b. Apple production in Canada in 1957, like that of most tree fruits, was average and greater than in the previous year. Pear production, however, was an exception and, as a result, exports are expected to be down. The United Kingdom established an import quota for fresh pears from Canada of \$60,000 f.a.s.

Production of soft fruits declined somewhat, particularly that of blueberries, and exports to the United States were much below average.

### *Vegetables*

Table potato exports to the United States dropped off sharply in 1957 in comparison to last year. Spring shipments were about average but below those in the previous year when a tight supply position developed in the U.S.A. Exports of other vegetables were average.

### *Seed Potatoes*

Off-shore exports of seed potatoes were higher in 1957 but this increase was offset by decreased exports to the United States. The seed potato testing program, which is conducted in co-operation with the provincial Departments of Agriculture in New Brunswick and Prince Edward Island, was continued. Extensive promotional efforts are being carried on in Brazil and testings are also being carried on in other areas such as Lebanon and Italy. Arrangements for these tests were co-ordinated by the Food and Agriculture Division.

### *Oilseeds*

One of the more encouraging developments in 1957 was the marked increase in the export of oilseeds, particularly rapeseed and flaxseed. European countries were the chief importers but sizable quantities of flaxseed were also marketed in Japan.

## **Groceries and Confectionery**

### *Confectionery*

The substantial increase in world raw sugar prices following the Suez affair late in 1956 was reflected in higher manufacturing costs in the Canadian confectionery and related food processing industries. This tended to affect the competitive position of the products of these industries in export markets, resulting in a decrease in exports.

### *Maple Products*

Canadian production of maple syrup in 1957 was estimated at 3.1 million gallons which is considerably above the 10-year average of 2.5 million



gallons. Exports of maple syrup and maple sugar for the year were somewhat lower than in 1956. In 1957 they totalled \$4.3 millions. Practically all of the exports were to the United States.

### *Canned Fruits*

A short crop of deciduous fruits in European countries presented an opportunity for Canadian processors of canned fruits to make offerings in some markets not always available to them.

### *International Sugar Agreement*

The International Sugar Agreement—1953—came into operation January 1, 1954, replacing the former International Sugar Agreement of 1937. It is to run for a period of 5 years. Canada acceded to the Agreement June 29, 1954 and became a member of the International Sugar Council. A Canadian delegate regularly attends meetings of the Council and also participates in the work of Committees.

The general objectives of the Agreement are to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices; to increase the consumption of sugar throughout the world; and to maintain the purchasing power in world markets of countries or areas whose economies are largely dependent upon the production of, or export of, sugar by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages.

The Agreement provides for a system of quotas for export of sugar by exporting countries. Such quotas may be reduced or increased within limits according to the price range provided in the Agreement. The responsibility for enforcing the export quotas lies with each member exporting country.

Of the various provisions in the Agreement, the principal obligations affecting Canada as a net importer are requirements for regularly furnishing statistical and other information, particularly with reference to imports, exports, production and consumption of sugar, changes of tariff, etc. Imports of sugar from countries which do not participate in the Agreement are restricted, except under specific provisions.

At present, twenty-six countries participate in the Agreement.

### *Animals and their Products*

#### *Livestock*

Exports of purebred livestock were at a somewhat lower level than during the previous years. This was almost entirely due to a substantial decline in sales of purebred dairy cattle to Mexico. In 1956, the Mexican Government purchased about 4,000 head in Canada. However, in 1957 Mexico received two loans of \$5 millions from the Export-Import Bank for the purchase of cattle in the United States. As a result, Canadian sales were limited to those that were made to Mexican breeders who could arrange their own financing.

Most of the purebred cattle exported during the year went to the United States.

Exports of dairy cattle other than purebred were lower than in 1956. On the other hand, exports of beef cattle other than purebred were far in excess of those during the previous year.

### *Meats*

As in previous years, the bulk of the meat produced in Canada was consumed domestically. However, there was a substantial increase in exports of beef and veal to the United States. On the other hand, exports of pork and pork products, most of which went to the United States, were considerably below last year's level. As is usual, Canadian supplies of mutton and lamb were augmented by imports, most of which came from Australia and New Zealand.

### *Dairy Products*

Exports of dairy products continued to be adversely affected by import restrictions in other countries imposed because of exchange difficulties and for other reasons. In addition, Canadian exporters were faced with increasing competition from other supplying countries.

The United Kingdom again established an allocation for the import of cheddar cheese from North America which enabled Canadian exporters to sell a limited quantity to that market despite the fact that Canadian prices were substantially higher than those of other supplying countries including United Kingdom home production.

The United States restrictions on the import of certain dairy products remained in effect.

During the year several dairy products were placed under import control by the Canadian Government as a result of action taken under the Agricultural Prices Support Act or the Agricultural Products Co-operative Marketing Act. Cheddar cheese was placed under import control for a period of one year on May 28. On September 22 dry skimmed milk was made subject to import control, and on November 13 butter oil and any other form of butterfat containing 55 per cent or more of butterfat were added to the list of commodities requiring import permits.

In general, imports of the above-mentioned commodities were not permitted except for shipments that were in transit at the time the controls came into effect.

### *Eggs and Poultry*

Exports of eggs during the year were substantially higher than during 1956. Venezuela was by far the most important market. Exports of dressed poultry were negligible. Turkeys and fowl were placed under import control by the Canadian Government on July 17. As a result imports were substantially below those of a year earlier.

### *Honey*

Exports of honey, which were relatively small, were exceeded by imports, most of which came from the United States.

## Tobacco

Exports of tobacco were considerably higher than during 1956. The United Kingdom was again the most important export outlet.

During the year, the growers in Ontario, where most of the flue-cured tobacco is produced, voted to market their own crop rather than have it marketed through the Flue-Cured Tobacco Marketing Board of Ontario which was composed of both growers and buyers. As a result, the Ontario Flue-Cured Tobacco Growers Marketing Board was formed. This Board built auction warehouses at Simcoe, Delhi, and Tillsonburg and auctions using the "Dutch Clock" system opened on December 10.

## Furs

The main activity in 1957 resulted from the organization of an Inter-departmental Committee on Fur Promotion. The immediate objective of this Committee was to co-ordinate the activities of four federal departments concerned with export promotion of Canadian furs. The departments represented on the Committee include Agriculture, Citizenship and Immigration (Indian Affairs), Northern Affairs and National Resources, and Trade and Commerce.

During the year this Committee reviewed past promotional activities which were related mainly to the trade fair program. It was concluded that promotion of this type was not adequate and it recommended a series of salon displays in Europe during 1958.

The Committee were successful in obtaining an excellent array of Canadian wild and ranch furs through the co-operation of the provincial governments and the fur industry.

Although the Interdepartmental Committee was formed primarily for the purpose of co-ordinating activities of the federal departments concerned with fur promotion abroad, its activities have since broadened to include domestic issues and other facets of foreign trade in furs. This Committee has proved exceedingly useful in that it has provided a useful means of communication and a focal point for co-operation among the various provincial and federal government departments concerned with furs and the fur industry.

The Committee arranged to have the subject of fur promotion placed on the agenda for the Federal-Provincial Wildlife Conference held in June, and at the same time met with the various provincial government officials concerned with furs. The conference passed a resolution calling upon the Interdepartmental Committee to take the initiative in forming a Fur Council to develop a co-ordinated program on the promotion of Canadian furs in foreign countries. The Council would include initially representatives of the federal and provincial governments, to be supplemented, if feasible, with



industry representation at a later date. The various fur associations have been consulted and it is hoped that the Council will become operative early in 1958.

During 1956-57 the value of fur production in Canada decreased, amounting to \$25.6 millions compared to \$28.1 millions the previous year. This decline was attributable to decreased production, as well as to lower pelt values. Exports of furs reached \$26.4 millions, mostly to the United States, while imports totalled \$21.6 millions primarily from the same country.

## GRAIN DIVISION

In addition to its responsibility for the normal promotion of export trade in wheat, barley, oats and regional wheat flour, the Grain Division serves as a liaison office with the Canadian Wheat Board. By virtue of direct Government interest, it is closely involved in much of the commercial negotiations with respect to the export sale of these commodities.

Since the Canadian Wheat Board is the sole marketing agency for Western-grown wheat, oats and barley, a substantial part of the work of the Grain Division is concerned with domestic grain marketing problems and policies, including the preparation of necessary legislative measures.

### Grain Carryover

Total carryover stocks of the five major Canadian grains (wheat, oats, barley, rye and flaxseed) were estimated at 1,108.2 million bushels as at July 31st, 1957, about 34 per cent above the previous year and some 139 per cent above the ten year (1947-56) average.

Carryover stocks of Canadian wheat as at July 31st, 1957 were estimated at an all time record of 723 million bushels. An estimated 319.2 million bushels of the carryover figure were held on farms.

### Grain Production

Canada's 1957 wheat crop was estimated at 373.5 million bushels, 35 per cent below the previous crop year and 23 per cent below the ten year 1947-56 average. Prolonged dry weather throughout July reduced yields considerably. The quality of wheat, however, is expected to be much higher than in recent years. According to surveys conducted by the Grain Research Laboratory of the Board of Grain Commissioners for Canada the average protein content is expected to be 14.1 per cent, which is higher than it has been since 1947. The long term average is 13.5 per cent.

Production of other major grains was estimated as follows (in millions of bushels) with the previous year's production in brackets:—oats 384.6 (524.4), barley 220.0 (269.1), rye 8.5 (8.6), flaxseed 20.0 (34.5).



## Grain Exports

Canada's 1956-57 exports of the five principal grains, together with clearances of wheat flour and milled oats totalled 385.4 million bushels. The following table sets out the exports of each grain with comparisons for previous years:

**Exports of Grain and Principal Milled Products**  
(millions of bushels)

	1956-57	1955-56	30-year average 1926-27 to 1955-56
Wheat .....	228.3	269.2	211.8
Wheat flour .....	34.5	40.0	42.1
Oats .....	18.3	3.6	24.4
Rolled Oats & Oatmeal .....	0.4	0.5	3.3
Barley .....	76.9	64.3	27.9
Rye .....	5.4	12.9	5.9
Flaxseed .....	21.6	11.6	2.5
Total .....	385.4	402.1	317.9

## International Wheat Agreement

Canadian exports of wheat and wheat flour under the International Wheat Agreement continued to decline in 1956-57 and totalled only 58.0 million bushels compared with 75.6 million bushels in 1955-56 and 109.2 millions in the 1954-55 crop year.

The 1956-57 exports represented 58.16 per cent of Canada's guaranteed quantity and 27.1 per cent of the total wheat and wheat flour moved by all countries under the Agreement.

## Insurance of Wheat Sales

The Government continued to authorize the insurance of grain sales under the Export Credits Insurance Act. During the latter part of 1957 legislation was passed authorizing an increase in the maximum liability permitted, under Section 21 of the Export Credits Insurance Act, from \$100 millions to \$200 millions. As approximately \$100 millions was encumbered under Section 21 of the Act, this legislative action permitted the offer of the facilities of the Export Credits Insurance to certain countries that may be interested in purchasing grain on credit terms.

## Temporary Wheat Reserves Act

Details of this Act, which came into effect on March 7, 1956, were summarized in the previous year's annual report. The Act provides for the Government to assume carrying charges on wheat stocks in excess of 178 million bushels at the commencement of a crop year.

The Temporary Wheat Reserves Act continues in force and the following table records the funds paid by the Government to the Canadian Wheat Board to date:

<i>Basis Stocks</i>	<i>Funds Provided by Government</i>
August 1st, 1955 .....	\$31,486,186.65
August 1st, 1956 .....	28,816,765.80
August 1st, 1957 .....	35,553,508.68

Supply of Wheat and Flour under the Colombo Plan

The Canadian Government provided funds to finance the supply of wheat and wheat flour to India, Pakistan and Ceylon during the fall of 1957.

The grants, provided from existing Colombo Plan funds, were as follows:

India .....	\$7,000,000	wheat
Pakistan .....	2,000,000	wheat
Ceylon .....	1,000,000	flour

Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act, which came into force on November 25, 1957, provides for an advance payment to producers for threshed grain (wheat, oats and barley) in storage other than in an elevator, and prior to delivery to the Canadian Wheat Board.

Section 7 of the Act, which reads as follows, sets out the amount of the Advance Payment:

7. “(1) Subject to this section, the amount of an advance payment to a producer in respect of the grain deliverable under the permit book specified in the application shall be the quantity of threshed grain (irrespective of its grade and excluding grain deliverable under a unit quota) that the applicant has in storage otherwise than in an elevator and undertakes to deliver to the Board, less any undelivered grain in respect of which a previous advance payment was made, multiplied by
- (a) fifty cents per bushel in the case of wheat,
  - (b) twenty cents per bushel in the case of oats, and
  - (c) thirty-five cents per bushel in the case of barley.
- (2) The quantity of grain in respect of which an advance payment may be made to a producer shall not exceed the quantity that would be deliverable under the applicant’s current permit book on a quota of six bushels per specified acre minus the quantity of grain (other than deliveries under a unit quota) delivered by the applicant to the Board prior to his application and during the crop year in which the application is made.
- (3) Not more than a total of three thousand dollars shall be paid as advance payments in respect of grain to be delivered under the permit book specified in an application.”

Repayment is effected by deducting one-half of the initial payment for all grain delivered subsequent to the loan, other than for grain delivered under a unit quota. The amounts deducted are paid to the Canadian Wheat Board until the producer has discharged his advance.

The following is the position of advances granted and refunds made as at December 31st, 1957:

<i>Number of Applications</i>	<i>Total Amount Advanced</i>	<i>Total Amount Refunded</i>	<i>Total Advance Outstanding</i>
36,483	\$26,155,042.00	\$1,164,751.00	\$24,990,291.00

## CANADIAN GOVERNMENT EXHIBITION COMMISSION

The Canadian Government Exhibition Commission is responsible for the organization and administration of all Canadian exhibits in fairs and exhibitions abroad in which the Canadian Government decides to participate. In addition, the Commission endeavours to advise private exhibitors and their agents on the best means of displaying their Canadian products in overseas fairs. The Commission is also responsible for any international fairs and exhibitions held in Canada under the sponsorship of the Government.

Facilities include head office and workshop in Ottawa, as well as a small branch establishment in the United Kingdom.

During 1957, the Canadian Government Exhibition Commission undertook and completed approximately 146 projects, half of which could be classified as display units. The remaining projects represented a variety of miscellaneous services, such as framing and glazing pictures, mounting of photographs and refurbishing of displays already in use.

### Brussels Exhibition, 1958

Canada's participation in the Brussels Universal and International Exhibition, 1958, which will open April 17 and run until October 19, was throughout 1957 the major task of the Canadian Government Exhibition Commission. As the year ended, construction of the Canadian Pavilion neared completion and the installation of exhibits had begun. The first shipment of exhibits left Canada September 19, and by the time navigation closed in the Port of Montreal, November 29, 80 per cent of exhibits had been shipped overseas.

Landscaping of the grounds began in the fall. As they took shape, numerous European gardeners and landscape architects began to express an intense interest in their conception and execution.

The Canadian Pavilion is built of steel, glass and masonite. The floors are of Canadian lumber, covered in certain areas with Canadian linoleums. All exhibits are completely enclosed on the two upper floors. There is a roof over all the building except the tower well. The ground floor, which is roofed but not walled, houses the models of Niagara Falls and the St. Lawrence Seaway, the cinema and the Administration Block, the latter two wholly enclosed.

On the second floor, which is the main exhibit area, there is a promenade or patio, roofed over and partially enclosed in sheets of glass eight feet high. It is designed to be a sitting-out place in good weather.

The 22 exhibits, which summarize the many activities of the Canadian people, are distributed through the Pavilion as follows:

On the Ground Floor are located Energy, Transportation, Communications, and Canadian Recreations. On the First Floor are the exhibits on the Canadian People, Agriculture, Fisheries, Scientific Development, Forestry, the Northland, Mining, Employment and Labour, Industry, and



International Trade. On the Top Floor are Canada in International Organizations, the Library, the Art Gallery, Music and Drama, Education, Literature and its Media, the Governing of Canada, and Health and Welfare.

Also on the Top Floor are located a large restaurant and a lounge bar, both with roofed terraces which command splendid views across the grounds of the Exhibition.

## Services to Government Departments or Agencies

Irrespective of the '58 Brussels World's Fair, the general number of projects completed at the Commission showed an increase over 1956.

During the year, the services of the Commission were used by the Departments of Trade and Commerce, Agriculture, External Affairs, Citizenship and Immigration, National Health and Welfare, Labour, National Defence, Public Works, Public Printing and Stationery, and Post Office; and by Atomic Energy of Canada, Ltd., Canadian Government Travel Bureau, Canadian Patents and Developments, Ltd., National Film Board, National Gallery of Canada, National Harbours Board, and National Research Council.

Major exhibits, sponsored by the Department of Trade and Commerce, were shown abroad in Austria, Belgium, Germany, Holland, United Kingdom and United States. Major exhibits, sponsored by the Departments of External Affairs and Citizenship and Immigration, were shown in Austria, Brazil, Germany, Italy, Poland, and the United States. It should be noted that this was the first time that Canada had exhibited in Poland or installed a trade display in Austria. Smaller displays were prepared for Argentina, Denmark and Haiti.

A project is underway to set up a library of small portable displays from which Canadian Missions may draw when they are invited to participate in local exhibitions.

At the end of December, fifteen projects were in hand, all display units.

## Operations of London Office

The staff of the London office continued fully occupied. Numerous small displays were made up from existing material returned to the Commission's warehouse, London, from Canadian participation in various trade fairs and exhibitions in Europe. These were exhibited in many cities and towns in the United Kingdom. Similarly, a large amount of existing material returned to London from previous shows was re-used in the construction of major exhibits designed at the Commission's headquarters in Ottawa for use in Europe.

Staff from the London office assisted in the on-site operations of our European displays and were fully responsible for the two shows put on in the United Kingdom.

Details of major projects may be found in Appendix "C".



## COMMODITIES BRANCH

The Commodities Branch serves a variety of functions. Its principal role is active trade promotion, but it has important administrative responsibilities, too. For example, the Branch is concerned with the administration of the Export & Import Permits Act, being particularly active in the export control field, where, amongst other things, it gives continuing attention to Canada's part in international arrangements for control of strategic materials. Additionally, it is responsible for the administration within Canada of the United Kingdom Token Import Scheme, and the West Indies Trade Liberalization Plan. It also acts as a source of commercial intelligence, and it provides a service in gathering, collating and distributing information that is essential to the operation of other Branches of the Department.

In trade promotion, it is the function of the Branch to provide liaison with industry and the business community in Canada and to pass on information about trading opportunities brought to light by the Department's activities at home and abroad. The Branch is always seeking to extend its knowledge of supply positions in Canada and to widen its industrial contacts, in search of products for which markets may be promoted abroad.

Commodity Officers visit plants, attend meetings of business associations, prepare trade studies and market surveys, and arrange for displays of Canadian goods abroad for the purpose of introducing these in foreign markets. This leads the Branch to take an active part in the planning of trade promotion programs.

In its commercial intelligence activities, the Branch has emphasized, in recent years, the need for greater clarity concerning the export policy of firms which receive assistance from the Department. This need is recognized and this type of confidential information is usually supplied readily by firms experienced in using the Department's promotional services. However, where control over the export business of subsidiary companies operating in Canada is exercised from abroad, the foreign companies involved may become the beneficiaries of trade promotion activity undertaken for the Canadian subsidiaries, unless precautions are taken. For this reason, when seeking an indication of company policy in such cases, the Branch also requires assurances that freedom to export is given to any Canadian subsidiary company which is receiving assistance through the Department's trade promotion services. As a general rule these assurances are readily extended and an undertaking given that the Canadian company will receive the benefit of any business which it derives from this assistance.

These approaches to foreign parent companies often elicit interested and encouraging responses. In a number of cases, with intent to help the subsidiary companies to obtain more export business, there were discussions with executives of their foreign parent companies during which attention was called to the forms of assistance available to the Canadian companies and the relatively greater importance of export volume in this economy.

Details of Branch activities are described below in the separate sections which deal with the work of its five Divisions, namely, Machinery and Metals Division, Consumer Goods Division, Chemicals Division, Forest Products Division, and the Transportation and Trade Service Division.

## Trade Fair Exhibits Abroad

The Department's trade fair program involves all the trade promotion branches in varying degree and mention is made elsewhere in this Annual Report, of the specific work of each Branch of the Department.

The Commodities Branch, in particular, has an active role in the programming, organizing and assessing of Canadian Government trade fair exhibits abroad. These exhibits are specially useful in promoting the sale of manufactured goods where samples need to be shown and Canadian exports of this type have substantially increased in volume and variety in the postwar years. In addition to participating in the organizing of government exhibits at international trade fairs, the Branch provided assistance and information to exporters who wished to exhibit on their own account at fairs in foreign markets.

A total of 255 companies participated in the sixteen Canadian exhibits abroad sponsored by the Department of Trade and Commerce in 1957. The firms were selected and the samples and trade literature obtained by Commodity Officers. That this figure was down from 350 in 1956 was largely due to there being no large-scale trade exhibit comparable to the 1956 exhibit at Lausanne, Switzerland. Also, an additional group of Canadian exporters of machinery and other industrial goods had been scheduled to participate in an exhibit at the 4th Colombian International Trade Fair, but this fair was cancelled by the Colombian Government. Over and beyond companies directly participating in exhibits, there were many other Canadian exporters represented through composite commodity displays which were produced for several trade fairs.

The export of Canadian manufactured goods to the American market has been increasing and to aid and abet this trend, an expanded program of trade promotion through exhibits in the United States has been undertaken. This program consists principally of displays in vertical or specialized American trade shows. The first exhibit in the vertical trade show program took place at the National Shoe Fair in Chicago in September, 1956. It was followed in 1957 by exhibits at the Popular Price Shoe Show and the National Winter Sports Show, both in New York, and again at the National Shoe Fair, Chicago. It is planned to place exhibits in six American vertical trade shows in 1958.

In addition to their duties in Ottawa in connection with the exhibits, Commodity Officers assisted in staffing the government stands at these United States vertical trade shows, and also helped man the Department's trade information booths at the 1957 United States World Trade Fair in New York, and the Chicagoland Fair in Chicago.

The Canadian Showroom in Rockefeller Centre, New York City, was closed in November, 1957, after operating from December 1951. During the period, forty-one separate exhibits of Canadian goods had been displayed, including church furnishings, fish and meat products, handicrafts, ladies' and men's sports wear, rubber products, scientific instruments, shoes and slippers, sporting goods, wallpaper and wood products. The displays attracted the attention of the general public as well as important New York buyers.

The Showroom served to introduce some Canadian exporters to the American market while others already selling there were assisted in extending the distribution of their products. Numerous letters of appreciation for the assistance given in promoting the sale of their products in the important New York market have been received from Canadian companies participating in these exhibits. But, insofar as it is successful either in testing the market or in placing lines with buyers, a medium of this type ultimately can exhaust the demand for its services for a time at least, and it was felt the Showroom in New York had served its purpose by the end of 1957.

Commodity Officers of this Branch attended the Rubber Products, Wallpaper, and Church Furniture displays staged in 1957.

A program of systematic assessment of government exhibits in international trade fairs was undertaken in 1957 to try to determine in greater detail the value of this form of trade promotion to exporters. The results of this assessment indicated that the great majority of companies participating consider they have benefited whether or not any business was actually consummated at the fairs. In this regard, it is significant that reports continue to be received from participants in the Canadian exhibit at Lausanne in 1956 about new business achieved in consequence of showing their goods at that fair. The assessment of the exhibits program will be continued and will provide for comparison of various methods or types of exhibits employed.

## MACHINERY AND METALS DIVISION

The Division is organized in four sections which deal respectively with engineering; metals and minerals; machinery and plant equipment; and transportation and agricultural equipment.

With this broad range of interests, work can involve direct assistance to firms seeking to export intangibles like technical information or professional services, or firms offering substantial finished complex items such as ships or aircraft, or ones with simpler lines of metals and mineral products in a great variety of stages of processing. The Division has had to concern itself actively in the changing raw materials supply situation in the metal trades, particularly where export controls were exercised for supply reasons.

During 1957, the Division gave increasing and useful services to various branches of the engineering industry (including consulting engineers), the shipbuilding industry, manufacturers of railway rolling stock, the automotive and aircraft industries, and makers of agricultural equipment, industrial



machinery and construction equipment. It assisted producers of electric and electronic equipment, and aided the ferrous and non-ferrous metals industry. Each problem had to be considered in terms of the special characteristics of the business in which the enquirer was engaged, and each recommendation tailored to particular requirements.

### Engineering

The consulting engineering field has become increasingly important in recent years. In order to meet the requirements for service and to maintain the confidence of the profession, the Division makes available the services of a consulting engineer to assist Canadian engineering firms to promote exports of their technical and engineering skills. Export of consulting services can lead to subsequent exports of machinery, plant and materials.

Assistance extended in 1957 led to large contracts in two foreign countries and the awakening of interest in a broad range of projects contemplated in North Africa, the Middle and Far East, and other areas. This work is more complex than export promotion for a manufactured product, because of the extent of research and consultation needed before a contract can be properly negotiated. Special advice to Trade Commissioners on methods of handling these enquiries is being prepared.

### Metals and Minerals

In the ferrous and non-ferrous metal field the Division was principally engaged in liaison with industry to learn of its difficulties and to extend assistance in meeting them.

During the course of 1957, there was a sharp reversal of the world supply position. It became apparent in a number of trades that expansion of industrial production had at last, after several years, caught up with demand. This was particularly apparent in the non-ferrous metal field with the sharp break in copper prices and further softness in lead and zinc prices which were most noticeable features. In other metals, for example aluminum and copper, where prices were closely controlled by producers, a decline in demand was noted. By the end of the year the world scarcity problems in nickel, which had existed over a period of many years, at last appeared to be nearing an end. Scrap prices resumed a normal relationship to those of the primary materials. Industrial inventories returned to more ordinary levels.

Copper, along with lead and zinc, was the subject of an enquiry by the Interim Co-ordinating Commission on International Commodity Agreements, which sought to discover if interest existed among governments for the use of its service to convene a conference to review world problems in these metal fields. Through liaison with Canadian industry, it developed that some support existed here for such a conference.

The operation of the International Tin Agreement had a noticeable effect in stabilizing tin prices until the close of the year. Then it became



necessary to advance a scheduled meeting of the International Tin Council to increase, within the terms of the Agreement, the trading resources available to the buffer stock manager and to impose temporary export quotas until order was restored in the tin market. A weakness in the futures market for tin at that time was attributable in part to traders' reaction to Russian selling. The Division was responsible for liaison with other Government Departments and with industry in preparation of briefing for the Canadian delegation on the International Tin Council.

In dealing with the problems of the nickel industry, the Division had continuing liaison with primary producers and the scrap trade throughout 1957. As domestic consumption declined during the course of the year, secondary industry was in a position to increase its export sales, principally of nickel anodes. The United States Office of Defense Mobilization decided not to enter into further contracts for stockpile requirements with Canadian producers. Substantial shipments were diverted from the American stockpile to consumption in the United States during the third and fourth quarters. Promise of a continuation of this policy for 1958, coupled with the forecast expansion of production, called for a survey of possible new foreign markets which was co-ordinated by the Division. In the fourth quarter it was possible to relax export restrictions on scrap nickel and by end of the year in part to remove restrictions on export of the primary metal.

The steel scrap market was in a disturbed condition early in the year, due to the high prices offered, and the keen buying interest exhibited, by foreign consumers. Demand from Japan was particularly relevant. The needs of the United Kingdom and the European Coal and Steel Community were also factors. Over a period of time increasing consumption of scrap in these latter two appears to have been encouraged by low controlled domestic prices and equalization to these of prices for imported scrap. From time to time, foreign demand for supplies from Canada was inflated by the threat that exports normally expected from the United States might be limited by quotas.

Although the Canadian steel scrap market was not insulated from the trend of prices in world markets, at least Canadian consumers were ensured of their requirements by means of export controls. At the beginning of the year, the domestic steel industry had difficulties in satisfying its scrap needs. In central Canada for example, there was a continuing need for substantial imports. As the year progressed, and the world demand situation eased, as the rate of steel mills' activity declined slightly, normal scrap inventories were established in Canada and it became possible to relax the control of exports which previously had been essential to maintain the supply of material for Canadian industry. By the end of the year it became possible to issue permits on application for all forms of scrap metals.

Primary iron and steel producers were assisted in obtaining substantial export contracts for rails in South America and the Middle East. Help was given in finding export markets for iron ore. The Non-Metallic Minerals Section assisted producers with their exports of fibre, insulation and asbestos cement products. Cement, which was in short supply during 1956, became easier about the middle of 1957 and producers were aided to find outlets in the United States. Promotion work was carried on, on behalf of producers of abrasives, granite, refractories and peat moss. Interest was aroused in the export of Western coal to Asia: contacts were provided for the producers and various foreign market surveys were undertaken. Promising possibilities were brought to light as a result of these investigations.

### **Machinery and Plant Equipment**

In its liaison with heavy industry, this Division engaged in a wide variety of activities. Reports on products available for Canadian industry were distributed to Trade Commissioners for market surveys abroad. Notices of foreign tender calls were sent to interested firms in Canada, as was word of overseas projects being developed under foreign sources of finance such as the International Bank for Reconstruction and Development. Data were supplied in answer to enquiries concerning export and strategic control policies, convertability of foreign exchange and availability of foreign import licences. Visits of foreign buying missions to Canada were arranged, delegates met and introduced, visits to plants and offices facilitated.

Greatest interest centered in enquiries for large hydraulic turbines, power transformers, specially-built machinery for paper mills, ball and roller bearings. In one case, leads provided by the Division resulted in a Canadian manufacturer obtaining business from a large United States public utility. It was found that the Canadian equipment was not only exclusive in design but also competitively priced.

The electronics industry in Canada has become one of the country's most rapidly expanding industries, capable of producing all types of electronic equipment, including that for communications, broadcasting, radar, and all manner of industrial and defence purposes. Manufacturers recognize that development cannot be maintained by servicing only the domestic market and this has resulted in increased interest in export markets. Opportunities for business under the NATO Common Infrastructure Programs were called to attention. As a result, a number of major electronic producers applied to enter the bidding for the supply of electronic equipment required under these programs.

### **Transportation and Agricultural Equipment**

Locomotive and railway rolling stock manufacturers were also aggressive in the export field, and this segment of Canadian industry received active assistance and guidance. However, difficulties encountered in arranging the financing of purchases (which always involve very substantial amounts on long term) acted as a handicap to the Canadian industry's export sales.

Assistance was given to the development of markets for the aircraft industry which was successful in obtaining a number of interesting export orders. By far the greatest interest was in jet aircraft, exports of which were subject to strategic control. A number of enquiries for commercial aircraft were also developed in several different areas; export of aircraft components continued to make an important contribution.

In the automotive industry, special efforts were made to find markets for new parts of old-model cars and tractors. Canadian manufacturers with trade or possible manufacturing interests were kept informed of visits of foreign missions which might wish to buy Canadian products. A preliminary export survey for a newly developed automobile part was undertaken and as a result of the "Product Report", representatives for handling it were appointed in over thirty countries.

## CONSUMER GOODS DIVISION

The Consumer Goods Division is organized in eight sections which deal with the following commodities:—toys, recreational products, musical instruments, outboard motors; handicrafts, photographic equipment, jewellery; hospital, radio, television, scientific and surgical instruments; plumbing, heating and hardware products; electrical household appliances, sewing machines; textiles, fibres and products, wearing apparel; leather, rubber and plastic products; beverages—alcoholic and non-alcoholic.

Every effort is made to develop new markets for these products and to maintain or expand exports to traditional markets. With these types of products the incidence of foreign tariffs is usually somewhat higher, and import licensing problems are more frequently encountered, than in other commodity fields. In the course of liaison with the industries affected, contacts must be maintained with a large number of small manufacturers.

In assisting these industries, foreign trade opportunities were brought to attention, tenders from foreign governments and international associations were distributed and information on foreign demand, competition, costs and business conditions was relayed. At the same time, Trade Commissioners were kept informed of availabilities, sources of supply, and of the establishment of commercial connections abroad, as this type of information was acquired through liaison with these industries.

Business callers were received from home and abroad by the officers of this Division. In cooperation with the Trade Commissioner Service, successful efforts were directed towards attracting foreign buyers to visit Canada. Where appropriate, itineraries and business appointments were arranged and buyers were met at the port of arrival and introduced to Canadian firms producing lines in which they were interested. Beneficial results were seen immediately in some instances.

To keep abreast of industrial expansion and new product development in these fields in Canada and, in particular, to discover new firms and new



products for export trade, visits to industry from coast to coast were carefully planned. Adequate coverage of the field within the limits of staff available was rendered more difficult due to the increase in the number of firms entering the consumer goods manufacturing field and the fact that many of them were small concerns and located in small towns. The travelling plans of officers were devised as far as practicable to cover occasions where considerable numbers of manufacturers met in trade shows and conventions. During the year, 725 plants or business premises were visited providing much information on products available for export, on company policy and interests, and giving opportunities for discussions of export prospects and methods of testing and entering foreign markets.

One of the most important methods of introducing consumer goods to potential customers abroad was through displays in foreign trade fairs and in the specialized industry trade shows in the United States. Exhibits at these fairs included winter sports equipment, particularly hockey items in which there is a world acceptance of Canada as a source of supply. In the expanded trade fair promotion program, there was a new interest in export by the clothing manufacturers, who took advantage of the opportunity to display abroad. These trade fairs and vertical trade shows provided a testing ground for new lines and in instances where the general public were admitted, advertised what was available from Canada. Agencies were arranged by Canadian manufacturers as a result of their participation in these types of trade promotions.

The selection of products for these displays was the result of planning, the initial proposals coming from the Commodity Officer. In the range of industries covered by the Consumer Goods Division, during 1957, the products of thirty-four firms were included in the displays that were featured in Rockefeller Centre; twenty-two in the Royal Netherlands Fair; fourteen in the United States World Trade Fair; seventeen in the Brussels International Trade Fair; ten in the Vienna Fall Fair; four in the Chicagoland Fair; seventeen in the National Shoe Fair, Chicago; twenty-eight in the National Winter Sports Show, New York; twenty-two in the Popular Price Shoe Show, New York; eleven in the United Kingdom Shoe and Leather Fair.

At these shows the range of product featured included: refrigerators, home freezers, electric stoves, electric washing machines, oil heaters, oil burners, power chain saws, power lawn mowers, garden hand tools, shovels, aluminum cookware, aluminum ladders, boats and hulls, marine hardware, outboard motors, sporting goods, hockey equipment, toys, electric organs, golf clubs, fishing nets and twines, fish net floats, ring buoys, buoyancy jackets, weatherproof clothing, bathtubs and plumbing equipment, pumps, plastic pipe, mail boxes, turnstiles, parking meters, glassware, handicrafts, radio and television receivers, scientific instruments, fountain pens and pencils, hardware, shoes and slippers, luggage, textile fabrics, dresses, sweaters, sportswear, deep beam therapy equipment.



In July of 1957, the United Kingdom Board of Trade relaxed restrictions on the import of leather from dollar sources. In co-operation with their London agents and the Canadian manufacturers, the Department promptly arranged for a Canadian leather display in the September United Kingdom Shoe and Leather Fair. Canadian leathers were well received by the trade in the United Kingdom where there has always been a keen demand for them.

The introduction of products to foreign markets through the medium of Product Reports was continued during the year under review. These reports were prepared by the Commodity Officers in consultation with the manufacturers concerned. This practice put in the hands of Trade Commissioners detailed descriptions of new products and their uses as well as information on price, packing, freight cost, and form of representation required. Among the commodities introduced to the foreign field in 1957 by this method were:—hospital equipment, air warehouse, cast aluminum cookware, stainless steel cookware, steering wheel for boats, filing equipment, automatic electric pencil sharpeners.

In a number of instances, assistance was given which enabled Canadian firms to obtain contracts for the supply of various items such as composition books for Vietnam (I.C.A. Contract Tender), a substantial order for Canadian ales and lager in cans for the Armed Forces of the United Nations, and berets for the United Nations (U.N. Contract).

## CHEMICALS DIVISION

The Chemicals Division is organized in two sections, one dealing with plastics, pharmaceuticals and heavy chemicals, and the other with oils, petroleum and miscellaneous chemicals.

Production of chemicals and allied products in Canada during 1957 again established a record. Exclusive of chemical items manufactured as by-products in other industries, output reached a value of approximately \$1.25 billion, representing an increase of roughly ten per cent over production during 1956. Exports in 1957 totalled about \$200 million, or roughly ten per cent greater than last year.

Barring unforeseen developments, the immediate future for the chemical industry appears bright. Much of the new productive capacity commenced over the past two or three years will be in operation, helping to replace imports and providing potential material for export markets. Already such items as tetraethyl lead, titanium dioxide, and exanthates—at one time large import items—have been added to the rapidly growing list of chemicals now produced in Canada. Of importance, too, are those plans already laid by industry to expand operations. Investment for buildings, machinery and equipment in 1956 was twice that for 1955 and the forecast for 1957 indicated a further increase to \$135 millions, approximately ten per cent greater than investment in 1956, and the second highest on record.

The Chemicals Division co-ordinated the Canadian chemical display in the German Industries Fair held in Hannover late in April. Twelve companies supplied samples of a large variety of chemical products for the attractively designed Canadian display which evoked a good deal of interest. In support of Canada's participation, special briefing material was prepared for the fair and for the Trade Commissioners in European posts. This covered all products that participating firms were anxious to sell in Europe, their properties, uses, company sales policy, European agents, and export prices where available.

For 1958 exhibits, industry has already been approached and interest in participation has exceeded expectations for a number of the fairs. Twenty-two chemical firms plan to participate in the Rand Easter Show, Johannesburg (March 24-April 7); thirteen in the International Samples Fair, Milan (April 12-27); twelve in the Japan International Trade Fair, Osaka (April 12-27); seventeen in the German Industries Fair, Hannover (April 27-May 6); twelve in the International Autumn Fair, Vienna (September 7-14); and twenty in the Colombian International Trade Fair, Bogota (November 22-December 8).

On June 24, the International Rubber Study Group met in Djakarta, Indonesia, and consideration was given to French proposals for stabilizing rubber prices. After consultation with industry and with other Government departments, a detailed brief was supplied by the Chemicals Division to the Canadian delegation. Also supplied was general background information on the natural and synthetic rubber industry. At this conference, Canada was named to the Continuing Management Committee; it is the responsibility of this Division to supply briefing material for the Canadian representative.

As a result of contacts with firms during tours of the industry, market and industry surveys were undertaken for such commodities as vitamin and protein supplements; insulin; gamma globulin; proprietary and pharmaceutical specialties; printing inks; synthetic resin adhesives; lead oxides; titanium dioxide; off-grade polyethylene resin; lubricating additives and corrosion inhibitors; textile, leather and tanning chemicals; tetraethyl lead; sanitation chemicals; and commercial soaps. In some instances, sales and agency arrangements in various markets resulted from these surveys, while negotiations are proceeding on others. Active participation was taken in promoting substantial export sales of Canadian poliomyelitis vaccine, carbon black and citric acid. Numerous enquiries have been received and dealt with covering a wide variety of chemical products of commercial importance.

## FOREST PRODUCTS DIVISION

The Division is organized in three sections which deal respectively with logs and lumber, manufactured wood products, and pulp and paper.

The softening in world demand for forest products, which was foreseen in 1956, became a reality in 1957. On the basis of trade statistics so far available it would appear that the value of forest product exports for 1957

will fall below that for 1956. Lumber showed the sharpest decline. Woodpulp and newsprint remained at satisfactory levels but the industry was unable fully to utilize expanded manufacturing facilities. Secondary industries in this field for the most part enjoyed a good year.

While the overall value of exports of forest products may not reach the 1956 level, the pulp and paper sector should show a moderate gain. But the downward trend in demand for lumber and plywood which developed in 1956 became more acute in 1957 and is largely responsible for the reduced value of overall exports. The premium on the Canadian dollar, credit restrictions, and decreased housing construction, resulted in reduced sales of lumber to the United States. High ocean freight rates prevailing throughout the first quarter of the year, increased competition from other sources, and higher interest rates on bank loans, all resulted in a lower volume of lumber sales to the United Kingdom. Plywood sales to the United States were down in volume as a result of Japanese competition.

The work of the Division reflected the changing pattern in world demand. Its nature varied according to the actual position of the particular section of industry concerned. Expansion of manufacturing facilities in traditional overseas markets created a series of new marketing problems for Canadian exporters. Increased competition in major markets was a cause of difficulty, particularly in lumber and plywood. Industry's difficulties, with more stringent foreign import regulations, increased tariffs, valuation for duty problems and other related factors, resulted in many calls for service.

The basic role of this Division is to provide active assistance to the forest industries in the development and maintenance of export markets. With this objective in mind, lumber and allied building materials were displayed at the 27th Building Exhibition, London, England; woodpulp at the German Industries Fair, Hannover; wallpaper and church furniture in Rockefeller Centre, New York City.

The practice of conducting world surveys was continued and broadened. The annual world survey covering production and consumption of newsprint was again conducted by the Division in collaboration with the Newsprint Association of Canada and our Trade Commissions abroad. This indicated a relatively easier supply position in relation to world demand. The annual survey of woodpulp capacity, production and consumption was also made in conjunction with the Canadian Pulp and Paper Association, the United States Pulp Producers' Association and the Trade Commissioner Service. On behalf of the Canadian lumber industry a special issue of "Foreign Trade" was published, dealing with the prospects for the sale of Canadian lumber in world markets.

The Division actively assisted efforts to establish standard grading rules for Christmas trees produced in Canada. In the United States in recent years steps have been taken towards establishing grading rules and these have been followed closely by the Division. These culminated on November 1, 1957.



in introduction of a voluntary national grading system in that country. The importance to Canada of this step was indicated from the fact that 1956 exports of Christmas trees to the United States totalled some 12,782,363 trees valued at \$6,085,985, representing over two-thirds of total Canadian production.

After preliminary studies and consultation with provincial governments and producer organizations, an officer of this Division led a delegation from Canada to a conference in Ithaca, New York, in August, at which the establishment of grading system in the United States was discussed. Subsequently, based on the recommendations of the delegation, a representative steering committee was organized to consider the introduction of Christmas tree grading in Canada. This committee plans to meet early in January for the purpose of organizing a conference of all interested groups so that a grading system can be set up and be operative in Canada in time for the 1958 Christmas season, if this is considered desirable. The Division has been requested by the exporters and by trade associations to continue its assistance and to participate in the coming discussions.

The easier supply position in the field of paper and paper products enabled greater attention to be given to export opportunities in areas formerly of only marginal interest to industry. With enquiries from Latin and South America, the Middle East and Far East, some gratifying results were obtained. Some success was achieved in obtaining business from countries whose purchases were financed under I.C.A. In addition, orders for paper were obtained through the United States Information Agency, purchasing on behalf of United States Foreign Missions, in the face of direct competition from American producers.

One project now under way is that of assisting our primary forest producers in securing larger markets for their products. This involved a world survey of importing countries interested in pulpwood, pitprops, poles, piling, etc.

The British West Indies Trade Liberalization Plan proved helpful to exporters of converted paper products.

## TRANSPORTATION AND TRADE SERVICES DIVISION

This Division provides a number of necessary services in connection with external trade, the Department's trade promotional activities, and the work of other Branches of the Department.

### Directories Section

The compilation of data on Canadian exporters and importers continued to be the main function of the Directories Section. This source of reference prepared for Trade Commissioners and Commodity Officers is contained in two confidential Department directories—the Exporters' Directory, revised annually, and the Importers' Directory, revised bi-annually.



The commodity interests of Canadian firms listed in these directories are compiled in book form and distributed to posts abroad, yearly, to facilitate the handling of trade enquiries and general trade promotion. Holders of the directories are kept informed of changes by monthly lists reporting additions, deletions, changes of address, etc.

From the data compiled by Commodity Officers from their surveys and contacts with industry, the Directories Section also maintains a system of commodity cards giving a brief summary of the supply and marketing position of the numerous commodities. This information is distributed to all Trade Commissioners abroad. As in the case of the trade directories, this information is subject to periodical amendments as developments take place.

The maintenance of these sources of varied reference material is a continuous task extending throughout the year, in order that Trade Commissioners abroad and Officers of the Department may have current and accurate information with which to carry out their trade promotion work. In addition, there are particular enquiries for directory information from the offices abroad to be dealt with.

To serve the growing trade promotion activities of the Department in the United States market, supplementary information re American connections of Canadian exporters to the United States was obtained during the course of the year, carded and distributed to all trade offices in that territory.

All information supplied to the Directories Section by Canadian companies is treated as strictly confidential and is for use by Department offices only.

### **Transportation and Communications Section**

The Section watched closely the trends and adjustments in charter market and liner service freight rates. The effect of rate increases in particular trades was studied and shipping lines were approached in conjunction with industry when the effect of freight rate levels was considered to exercise a restraining influence on export shipments and trade potential.

Ocean charter rates rose to a peak in late 1956. Early in 1957, weakening tendencies were evident and a gradual decline in rates occurred throughout most of the year. Rates levelled off in the closing months but the market in general was in a depressed state at year end, with no signs of any significant early improvement. The lower charter rates encouraged movement of bulk commodities to overseas markets. Particular improvement was noted in lumber shipments from British Columbia.

No similar decline occurred in liner-berth service rates. In certain trades, rates were increased. Some of these were rate adjustments announced in 1956 to be effective in the early months of 1957. Surcharges imposed as a result of the closing of the Suez Canal were gradually dropped after the Canal was re-opened.

Numerous enquiries concerning shipping services, freight rates, stowage conditions, etc., for movements by rail, road, water and air were dealt with. Where no direct ocean services were available from Canada, possible trans-shipment routings were investigated and industry advised. As in previous years, through information received from Trade Commissioners, industry was informed of changing port conditions, dues and taxes. Information on Canadian transportation services was provided to trade commissioner offices abroad for replies to foreign enquiries. Statistical and other information was supplied to shipping lines in studies of cargo potential and the possibilities for new shipping services. Liaison was continued with the Canadian Packaging Association.

A representative of the Section attended meetings of the Canadian Port Committee. This group formed from shipping, rail, port, and export and import interests, meets regularly in eastern Canadian port cities to study problems concerning external trade movements through Canadian ports. A member of the Section represented the Department in interdepartmental studies of Canadian port and telecommunication problems involving expansion and improvement of facilities. The Section was concerned with certain phases of planning for a NATO shipping pool in the event of an emergency.

The Section arranged passenger bookings for departmental officials travelling in Canada and abroad, and for technical experts and trainees travelling to and from Canada under the auspices of the United Nations and the Colombo Plan. Resulting from Treasury Board directive that the Section would upon request assist officials in other departments not having traffic offices, the Section arranged passenger bookings for a number of government departments, in particular the National Research Council re passenger bookings for fellowship students coming to Canada from India.

The Cable Office handled the Department's cable and telegraph traffic. A study of telex communication to trade commissioner offices in Europe was made. It was decided, in consultation with the Department of External Affairs, that more savings could be achieved by combining Trade and Commerce traffic with External Affairs telex communications. A teleprinter link between External Affairs and Trade and Commerce in Ottawa was installed to facilitate handling of telex communications.

### **Export and Import Permits Section**

This Section is responsible for the administration of the Export and Import Permits Act. Controls over the export of strategic materials and equipment continued to be exercised throughout the year.

The Export Control List was revised at the beginning of the year, at which time the sporting firearms and sporting ammunition were placed under export control.

In March it was found necessary to place used rails, both relaying and re-rolling, and used railway axles under control as Canadian consumers could not obtain sufficient for their requirements.

An Import Certificate-Delivery Verification system is operated in connection with other governments concerned, and designed to prevent the diversion of strategic goods from their approved destination. Regulations are also in effect respecting transshipment, designed to prevent the violation or frustration of other countries' strategic controls by diversion of goods in transit.

To facilitate business in non-strategic goods, general export permits have continued in force permitting certain specified commodities to be exported to European Soviet bloc countries without obtaining an individual permit. A constant endeavour is maintained to simplify procedures and to assist individual firms in their compliance with strategic controls.

Controls over the export of materials for supply reasons also continued. However, the availability of certain items showed an improvement, with the result that during the last half of the year permits were available for all types of ferrous scrap from the West Coast. Similarly, towards the end of the year, due to the improved supply situation, permits were freely issued for nickel and nickel scrap.

Since there are no controls over the movement of goods into Canada from the United States and few in the reverse direction, liaison with United States authorities was maintained to ensure that neither country was allowing its export permit procedures to defeat the other's purposes in control over its own commerce.

In order to implement action taken under the Agricultural Prices Support Act, turkeys, fowl, dry skimmed milk, and butter oil were placed under import control. Similarly, cheddar cheese was placed under import control to implement action taken under the Agricultural Products Co-Operative Marketing Act.

### **British West Indies Trade Liberalization Plan Section**

The number of firms participating in the plan in 1957 totalled 722. Individual allocations processed and issued by this Section during the year totalled 8,005, an increase of about thirty-five per cent over 1956.

Applications for "programming" of their allocations were received from over 300 manufacturers. The value of allocations requested under the programming was considerably higher than in the previous year and therefore, as a general rule, applicants at first received allocations equal only to their actual shipments in 1956. Through the return of unused credits at the end of the second and third quarters, the Section was able to process all requests for additional allocations. There was a noticeable decrease in the value of regular allocations issued. This was due to the increase in the number of manufacturers of branded lines taking advantage of programming arrangements; the change reflected a preference for the latter system of operation. Exports of leather footwear under the Plan increased considerably over 1956, due to the removal of import restrictions on all types of leather footwear by Jamaica.



## United Kingdom Token Import Scheme Section

The ceiling value of the Scheme for 1957 was 5.2 million dollars, lower by approximately \$750,000.00 than in 1956 after giving effect to the transferring of rolled and flaked oats to Open General Licence in the United Kingdom.

Although the list of commodities which may be shipped under the Scheme remains unchanged, several changes in the administration of the plan allowing more flexibility were initiated in 1957. The United Kingdom authorities permitted the grouping of certain listed commodities and the issuing of vouchers for any commodity within such a group. In all, there are twenty-six such commodity groupings. Also, quotas which were unvouchered by mid-year, became transferable for the benefit of other firms requiring them and able to submit evidence of prospective business. Applications for these unvouchered credits were not confined to previous participants and as a result, quotas were arranged for a number of new entrants which enabled them to explore the market possibilities in the United Kingdom.

Applications for additional quota in the food and textile groups were extremely heavy and more exports would have been possible if credits had been available. There was a noticeable decrease in use of the Scheme for exports of leather gloves.

## ECONOMICS BRANCH

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on specific subjects relating to the general economic situation or to individual industries or to particular commodities as required by Government Departments.

During 1957 general economic conditions in Canada were kept under review and a number of reports on various aspects of Canada's economic development were prepared, mainly for official use.

In periodic statements on the general outlook, an attempt was made to appraise the principal forces operating in the economy and to interpret their probable effects on economic activity in the period ahead. In some cases these reports were designed for general background use within the Government, while in others they were directed to specific problems to be dealt with by individual Government Departments. Special attention was given to cyclical changes taking place during the year as reflected in easier demand conditions and declining industrial production. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in February and again at mid-year.



Other features of the general economic situation which received continuous study included changes in Canada's foreign trade position, developments in the consumer market, and employment conditions.

The Branch assisted in the preparation of material on Canada's economic position as required in connection with the participation of this country in various international organizations.

The trend of activity in the principal regions of Canada was kept under review, and reports dealing with conditions in regions and specific localities were prepared as required within the Department or elsewhere in the federal services.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of softening in international markets, the changing investment pattern and easing in demand conditions generally. In secondary manufacturing the impact of imports upon the position of Canadian industries was followed closely; the vulnerability of Canadian producers to foreign competition is intensified in a period of market weakening despite the fact that total imports may have declined. Studies on the nature and size of Canada's regional markets for steel rolling mill products were carried forward and material on this subject was released for general use. Work proceeded on the examination of world markets for commodities important in Canada's trade.

In collaboration with the Grain Division of the Agriculture and Fisheries Branch, analytical work relating to the world market for wheat and other grains was expanded.

Studies on the changing volume and composition of Canada's exports to and imports from different foreign market areas were continued.

Studies of economic relationships in the Canadian economy were carried out in the Branch to facilitate the analysis of current conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programs.

## ENERGY STUDIES BRANCH

This Branch was created during the year to continue and expand work relating to energy sources which had previously been done in part in the Economics Branch.

The main functions of the Branch are to develop systematic records and analyses relating to energy matters; to prepare studies on current energy problems requiring policy decisions in this and other departments and agencies; and to provide information and assistance to the numerous departments and agencies which are concerned with one or more aspects of energy matters.

Since the Branch is new, and not yet fully staffed even within the small establishment contemplated for it, it has been necessary for it so far to deal principally with urgent matters, rather than with the development of con-

tinuing records and analysis. It was occupied, during 1957, with studies on such questions as those relating to natural gas pipe line development, export policy for natural gas, policy relating to supervision of transmission rates and sale prices for natural gas, policy on thermal electric power developments, the effect of United States oil import restrictions on the Canadian petroleum industry, and United States proceedings related to the importation of Canadian natural gas.

Such questions required close liaison with the Department of Finance, the Privy Council Office, the Department of Mines and Technical Surveys, the Department of Northern Affairs and National Resources, the Department of External Affairs, and with provincial agencies such as the Ontario Fuel Board, the Alberta Petroleum and Natural Gas Conservation Board, and the various provincial Public Utilities Commissions. Liaison was also maintained with the oil and gas production and transmission industries, oil refining companies, gas distribution utilities, and public and private electrical power utilities. Discussions were held with, and information supplied to, officials and business men from the United Kingdom, other Commonwealth and foreign countries, particularly the United States.

Most of the study papers prepared during the period have necessarily been confidential. No publications were issued by the Branch during the year, although assistance was given in the preparation of various addresses and articles. A lecture on "Natural Gas in Canadian Economic Development", given by the Director at Carleton University and later in the current affairs course for Canadian Army officers at Camp Petawawa, was mimeographed for circulation as requested.

During the year, personnel of the Branch were involved in the work of three Royal Commissions. One member assisted in the preparation of the report of the Royal Commission on Canada's Economic Prospects, and particularly the study of Canadian Energy Prospects done for that Commission. Toward the end of the year, this economist was lent by the Department to be a member of the staff of the Royal Commission on Energy, and the rest of the Branch personnel have been active in preparing material for that Commission. Throughout the period of this report, the Director of the Branch was also Secretary to the Royal Commission on Employment of Firemen on Diesel Locomotives in Freight and Yard Service on the Canadian Pacific Railway.

## INDUSTRIAL DEVELOPMENT BRANCH

The Industrial Development Branch was established in 1946 for the purpose of co-ordinating federal government activities in the field of industrial development. Its broad terms of reference include advising and assisting companies outside Canada in planning the establishment of plants in this country, and assisting Canadian firms with their expansion problems. In carrying out these assignments, the Branch works closely with other federal agencies and with provincial, regional, and municipal bodies, also with

private development agencies. The last mentioned group includes railways, banks, power companies, boards of trade, chambers of commerce, and the Canadian Manufacturers' Association.

In 1957, the Branch received direct inquiries from 465 firms in 30 countries, which showed an interest in establishing manufacturing plants in Canada. The majority of these inquiries required specialized and detailed surveys, including, in some cases, comprehensive reports on the Canadian market. During the past ten years, the number of Canadian businessmen seeking advice concerning present or proposed manufacturing operations has averaged over 600 yearly. Foreign business visitors, during the same period, have averaged 450 a year.

## New Establishments

The number of firms from other countries establishing manufacturing plants in Canada in 1957, or completing arrangements to do so, totalled 136 compared with 150 in the previous year. The 1957 total included 105 from the United States, 19 from the United Kingdom, and 12 from other countries.

A few examples chosen from the many firms assisted by this Branch in establishing plants in Canada during the year will serve to illustrate the wide range of products involved. Daystrom Limited, a branch of a New Jersey firm, established a plant at Toronto, to manufacture electronic equipment. West Bend Aluminum Company (Canada) Limited, a subsidiary of a Westbend, Wisconsin, firm, has set up an establishment in Barrie, Ontario, to manufacture outboard motors. Black & Decker Company, Limited, a branch of a Towson, Maryland, firm, purchased a vacant plant at Brockville, Ontario, to manufacture electric tools. Overhead Door Corporation, a branch of a Hartford City, Indiana, firm, has set up an establishment in Nelson Township, Ontario, to manufacture overhead doors. Firth Sterling (Canada) Limited, a subsidiary of a Detroit, Michigan, firm, has established a plant in Brantford, Ontario, to manufacture tungsten carbide bits. E. S. MacDonald, of Rhode Island, has set up a machine shop in St. Stephen, New Brunswick. McCulloch Company of Canada (Ontario) Limited, a branch of a Los Angeles firm, has set up an establishment at Etobicoke, Toronto, Ontario, to manufacture chain saws and outboard motors. New England Valve Corp. of Canada Limited, a branch of a Worcester, Massachusetts, firm, has set up a plant at Port Credit, Ontario, to manufacture valves. Franklin Manufacturing Company, Limited, a branch of a Minneapolis, Minnesota, firm, has set up an establishment in Galt, Ontario, to produce electric transformers. Surface Industrial Furnaces Limited, a branch of a Toledo, Ohio, firm, has established a plant in Downsview, Toronto, Ontario, for the production of surface steel mill equipment and heat treat furnaces. Maynards (Canada) Limited, a branch of a United Kingdom firm, has set up an establishment in Toronto, Ontario, to produce chocolates. Swedish Fagesta Steel Company, of Sweden, has purchased Tungbide Products Limited, Vancouver, British Columbia; tungsten carbide bits will be manufactured.



## Meetings

The Branch took an active part in the Ninth Annual Conference of the Provincial Governments' Trade and Industry Council, held in Victoria, B.C. At this Conference, many important industrial development problems were studied. During the year, officers of the Branch were active at the United States World Trade Fair in New York, the Montreal International Trade Fair, the National Industrial Development Exposition in New York, and the Chicagoland Trade Fair in Chicago, Illinois. Officers of the Branch also participated actively in a number of special meetings organized for the promotion of industrial development.

## Publications

An active demand continued throughout the year for both the English and French editions of the "Small Business Manual". Towards the end of the year, it was necessary to revise and reprint the English edition. Six chapters of the Branch's brochure "Doing Business in Canada" were revised in 1957. The demand for "Financing New Industries in Canada" showed no letup.

The "Industrial Development Bulletin", which is issued regularly in English and French, gives information, in the main, on new products developed by foreign organizations and available for manufacture in Canada under licensing and royalty arrangements. The Bulletin has a wide circulation, and extensive publicity is given by the technical and financial press to the items contained in it. The Bulletin's circulation list now includes some 550 Canadian manufacturers seeking new products to round out their production. The work in the licensing field has expanded considerably as a result of the increase in the number of Canadian companies interested in new production lines.

The Branch maintains confidential records of Canadian firms that might consider the sale of their assets, and concerns wishing to sell a minority share. While these sales, in the initial stages, do not result in new brick-and-mortar construction, they are important to the Canadian economy as the new owners usually bring with them new ideas and new skills.

## Special Studies

The Branch continued its work on special import studies. One phase of this consists of a continuing survey of composite import items, some of the most important of which are manufactures of iron and steel, non-ferrous metals, rubber, wood and paper products, chemicals, machinery, electrical apparatus, glass, leather, plastics, and tools. These surveys provide comparative data that serve as bases for more intensive studies of individual items. Another field of investigation consists of developing import information in answer to individual requests. These involve the screening of imports of a specific product for a specific month.



Information on Canadian municipalities was brought up to date in 1957. This material is of considerable value to foreign firms seeking to establish manufacturing plants in Canada and to Canadian companies planning to expand.

## Co-operation with Immigration Branch

The Branch, in the past, has acted in an advisory capacity to the Immigration Branch of the Department of Citizenship and Immigration on the admission of individuals, other than those from Commonwealth countries and the United States, who wish to establish new industries in Canada. In 1957, this work was expanded to include all countries and extended into the servicing of settlement inquiries.

## INFORMATION BRANCH

As its primary function the Information Branch participates actively in the Department's trade promotion efforts. Its secondary function is to disseminate information descriptive of Canada's economy, industrial development and commercial progress.

In its day-to-day operations the Branch produces and/or distributes promotional and informative publications, carries out the advertising done by the Department, and, employing all publicity media, releases news about Canadian industry and commerce, at home and abroad.

Canadian businessmen are provided with commercial intelligence on economic conditions and market opportunities in other lands through the pages of "Foreign Trade" and "Commerce extérieur", the Department's magazines, or through other publications of the Branch.

Considerable information, much of it prepared in the Branch, is made available to Trade Commissioners for distribution in their respective territories mostly to government officials, businessmen, and the press. Such material is designed to provide the foreign reader with a better understanding of Canada as a source of supply, as a market, and as a country in which the establishment of a branch plant or the investment of capital, might well be considered. Much of it is specifically intended for use at international trade fairs and special industry shows in which Canada is participating to an increasing extent.

Other government departments and agencies co-operate in providing literature and photographs for distribution by Trade Commissioners, either directly from their offices or at trade fairs. Economies are thus effected, as many publications already available serve a useful purpose in providing background information for traders seeking products obtainable in Canada.

One of the most acceptable publications supplied to Trade Commissioners is the "Canada Handbook", prepared by the Dominion Bureau of Statistics. Due to its relatively high cost, distribution must be restricted to a narrow list of persons in their respective territories. Other departments

and agencies from which useful literature is obtained include Agriculture, Atomic Energy of Canada Limited, Canadian Broadcasting Corporation, Canadian Government Travel Bureau, Citizenship & Immigration, External Affairs, Fisheries, Industrial Design Division of the National Gallery of Canada, Labour, Mines and Technical Surveys, National Film Board, National Harbours Board, Northern Affairs and National Resources, Post Office Department, Royal Commission on Canada's Economic Prospects, St. Lawrence Seaway Authority, and Transport.

Literature prepared by Provincial Governments and agencies, such as the Hydro-Electric Power Commission of Ontario, and by industrial firms is also made available for distribution at trade fairs, depending on the nature of the Canadian display, and the language of the country in which these are held.

The fact that so many articles, based on information contained in such publications, are reproduced in foreign newspapers and trade journals more than justifies the time and effort expended in making such material available. The same applies to photographs of a trade promotional character mailed to Trade Commissioners for distribution to selected publications.

## Trade Promotion Through Displays

The Information Branch participated actively in the promotion of trade through displays, including government exhibits at international trade fairs and in the Canadian Showroom at Rockefeller Centre, New York City, with all forms of attendant publicity. Descriptions of displays were distributed to daily newspapers and trade publications in the countries concerned, and photographs of the Canadian stands were supplied to firms whose products were on view. Reflected publicity was often obtained in this country through the reproduction of such photographs in trade journals.

This Department's trade fair program is co-ordinated by an Advisory Committee on Trade Fairs Abroad, of which the Director of the Information Branch is chairman. The committee is composed of representatives of trade promotion branches and reflects their combined judgment on the selection of fairs and the character of the exhibits which will, in each case, prove most effective in promoting the development and expansion of Canadian trade. It has the benefit of advice of specialists in other government departments concerned with the development of markets for Canadian commodities in foreign lands.

During 1957 this advisory committee held twelve meetings. It was, of course, concerned with the implementing of the program for trade fair participation in 1957, conceived the year before. In addition, it recommended five displays in the Canadian Showroom at Rockefeller Centre, New York City—rubber products, wallpaper, church furniture, articles whose design had won awards from the National Industrial Design Council, and fisheries products.

Plans for Canadian participation in the Colombian International Trade Fair, 1957, were halted when this fair was cancelled. When changes in the United Kingdom import regulations on leather were announced at mid-year, thereby re-opening that market to Canadian exports, the advisory committee quickly endorsed participation in the 1957 London Shoe and Leather Fair. Preliminary consideration was given to a Canadian Trade Fair in Boston in April 1959, and to Canadian Trade Fairs in Port-of-Spain, Trinidad and Kingston, Jamaica in the first quarter of 1959.

The committee agreed that Canada's participation in international trade fairs ought to be planned on a long term basis. In a major policy recommendation, it proposed that the trade fair program henceforth be projected for three years ahead; at any one time the program for the first year of the three-year period would be treated in detail, that for the second and third would be approved in principle. The committee made specific recommendations for 1958, and general ones for 1959 and 1960 which were accepted.

For 1958 it recommended that the Department should participate in the following international, or horizontal, trade fairs: Rand Easter Show, Johannesburg, March 24-April 7; International Samples Fair, Milan, April 12-27; Japan International Trade Fair, Osaka, April 12-27; German Industries Fair, Hannover, April 27-May 6; United States World Trade Fair, New York, May 7-17; Royal Netherlands Industries Fair, Utrecht, September 2-11; Frankfurt International Trade Fair, Frankfurt, September 7-11; the Vienna Fall Fair, September 7-14; and the Colombian International Trade Fair, Bogota, November 22-December 8.

Participation in the following vertical or single industry shows in 1958 was also recommended: National Association of Home Builders Convention, Chicago, January 19-23; National Sporting Goods Association Convention, Chicago, February 2-6; National Winter Sports Show, New York, April 27-30; Popular Price Shoe Show, New York, May 4-8; National Restaurant Association Convention and Exposition, Chicago, May 5-9; London Shoe and Leather Fair, September 29-October 3; Building Trades Exhibition, Manchester, November 11-22; and National Shoe Fair, Chicago, in October.

Publications were produced by the Information Branch for distribution at trade fairs in 1957. The principal item was a "Canada for Quality" folder, which was issued in English, French, German, Polish and Spanish. Booklets were also designed and printed for use in connection with the displays at the Canadian Showroom in Rockefeller Centre.

In co-operation with "Chemische Industrie", a leading German trade publication, 10,000 copies of an article on the Canadian Chemical Industry were printed for distribution to all its subscribers and for use at the German Industries Fair, Hannover, where Canada had a chemical display.

## Advertising

Commodity advertising, advertising in support of Canada's participation in trade fairs, and general trade promotional advertising was commissioned during the year.



The lumber and plywood promotional campaign in Great Britain was supported with advertisements in eighteen trade journals, while the wheat and flour promotional campaign in that country was supported with advertisements in four trade journals throughout the year. Monthly insertions in the "Canada-West Indies Magazine" featured different Canadian exports to the Caribbean. The story of Canada as a desirable source of supply and reliable exporter of seed potatoes was carried to prospective purchasers by an advertisement in the American Potato Yearbook.

Advertisements were placed in relevant trade journals in support of a display of sporting goods at the National Winter Sports Show, New York; of leather at the Shoe and Leather Fair, London; of shoes at the National Shoe Fair, Chicago; of Canadian consumer goods at the Vienna Fall Fair; of chemicals at the German Industries Fair, Hannover and of building products at the London Building Trades Exhibition.

Advertising of a general nature was designed for insertion in the Canadian Trade Index; the "West Indies and Caribbean Yearbook"; a special issue of "The Financial Post" containing a world-wide report on Canada; a special Canadian issue of the London "Times"; and in the monthly bulletin of the Association Belgo-Canadienne.

### "Foreign Trade" and "Commerce extérieur"

Commercial intelligence from abroad, in the form of reports from Trade Commissioners, was provided through the Departmental magazine, "Foreign Trade", and its French-language counterpart, "Commerce extérieur".

Besides this steady flow of information concerning foreign markets in which Canadian products are competitive, articles on the technical aspects of export trade were commissioned from specialists in various fields, both inside and outside the Department. The series concluded in July, and in October the articles were reprinted in one volume with certain additional material, under the title: "The Techniques of Export Trade".

Many of these articles were written by businessmen with long experience in their special fields, and this co-operation between the Department and the exporting community proved most rewarding. To promote the sale of this booklet, which is obtainable from the Queen's Printer, Ottawa, copies were sent to trade associations, business editors of daily newspapers, trade journals, boards of trade and chambers of commerce. This had the advantage of directing the attention of the business community to a publication that could assist in the development of foreign trade. The series of articles is currently appearing in "Commerce extérieur".

Late in the year, "Foreign Trade" carried the first two articles in a new series, entitled "As the Businessman Sees It". These were contributed by Canadian exporters who returned from trips abroad, and provided their impressions of markets in various countries, together with suggestions for selling overseas.

Six special issues on business conditions, based on information supplied by Canadian Trade Commissioners, appeared during the year. These were



devoted to the Far East; Burma, India, Pakistan and Ceylon; the Commonwealth; Europe; the Caribbean area; and South America. A survey of the United States market, with emphasis on ways and means whereby the Department may assist Canadian firms in selling there, was published in September. Market studies concerning Indo-China, the Federation of Rhodesia and Nyasaland, South Africa, the Dominican Republic, and Belgium were published during the year. One issue, in May, was devoted to world markets for Canadian lumber in fifty-two countries; an additional 1,200 copies of this issue were printed for distribution to interested firms.

Efforts were made during the year to widen the paid circulation of these publications. That of "Foreign Trade" showed a slight increase, and the paid circulation of "Commerce Extérieur" was more than doubled through efforts of the Montreal Chambre de Commerce. Student subscriptions to "Foreign Trade" were offered at one-half the usual rate, and the universities co-operated in making this offer known. Copies were sent to firms that might be particularly interested in special articles, with covering letters.

The outside back covers of both publications were used to advertise the booklet, "The Techniques of Export Trade", and the services of this Department to exporters. This space was also made available to other departments and agencies of government, such as the Export Credits Insurance Corporation, the Commercial Products Division of Atomic Energy of Canada Limited, and the Dominion Bureau of Statistics.

## Press Correspondents

Services to newspaper and other correspondents seeking facts and figures for the preparation of articles on commercial and industrial developments in Canada continued in demand throughout the year. Requests for authoritative information increase as this country becomes a more important source of news, particularly for those interested in the investment of funds in new projects. Correspondents of many foreign publications, some of whom visited Canada during the year, were provided with a wide range and variety of information.

This Branch issued Departmental press releases and copies of statements and addresses by the Minister. These were also mailed to Trade Commissioners as background information for distribution to publications in their respective areas. Messages were prepared for a number of foreign publications planning the production of special issues or sections on Canada. A newsletter, based on articles in "Foreign Trade", was compiled and distributed to Canadian daily and weekly newspapers.

## Films

Canadian Trade Commissioners are using films to an ever increasing extent as an aid to their trade promotional activities, and the Branch is actively engaged in securing suitable moving pictures for their use. Many

films produced for Canadian firms were screened during the year for the information and comments of personnel in the Department most interested in the subjects concerned. A film catalogue, listing and reviewing available pictures, was completed for the information of Trade Commissioners. Particulars of these films, which are listed according to commodity and other subjects, indicate their length, whether they are available in colour, the languages in which prints can be obtained, the producers and the firms for which they were produced.

In co-operation with the Quebec Department of Game and Fisheries, two films on beaver conservation and the fur industry were made available for use by the Canadian Trade Commissioner in Berne, and were loaned by him to a number of fur associations and retail furriers in Switzerland.

## Photographs

Photographs illustrating various Canadian industries were made available for distribution to the press attending international trade fairs in which Canada participated, depending on the nature of the exhibit. Photographs of Canadian displays were distributed to firms participating, in order to provide them with some idea of the manner in which their respective products were shown. Letters expressing appreciation of this service enabled the Department to judge the extent to which its promotional and public relations efforts have the support of the firms concerned.

Many photographs provided through the National Film Board and by industry were made available to Trade Commissioners for distribution to publications in their respective territories, and served to illustrate articles on Canada's economy. Through the efforts of the National Film Board, photo features were supplied in mat release form to selected newspapers directly and through Trade Commissioners, as some publications do not wish to incur the cost of preparing electros from photographs.

During the tour of the Canadian Trade Mission to the United Kingdom, photographs of the members were obtained in the many plants they visited in England, Wales, Scotland and Northern Ireland. Prints were made available to Canadian newspapers, trade journals and house organs, together with information concerning the Mission.

## Other Activities

In an effort to stimulate interest in Canada as a source of supply for purebred cattle, "The Canada Trophy" was presented to winners at the International Cattle Fair in Ciudad Trujillo, the Bogota Livestock Show and the Ceja Cattle Fair in Colombia. This trophy consists of a handsome silver tray, which carries the Canadian coat of arms, and is subsequently engraved with the name of the winning breeder, the name and breed of the award winner, and the place and date of the presentation. Much beneficial

publicity has been secured as a result of Canada's participation in leading agricultural shows in Latin America. Similar trophies will again be presented in 1958, with additional countries of Latin America being included.

Through the combined efforts of the Canadian Trade Commissioner in New Orleans and this Branch, arrangements were made for a Canadian Fur Fashion Show to be held during February in the Surf Club at Miami Beach and the largest department store in Miami. So much interest was aroused in the project that the Miami-Dade County Chamber of Commerce was instrumental in the declaration of a "Canada Week", which set the scene for a chain of events from which this country derived considerable publicity.

Considerable interest in Canadian clothing was aroused in Brussels, where a large display of women's wear was placed on display in "Au Bon Marche", a leading department store. The presence of the R.C.A.F. pipe band, stationed in Metz, provided a festive atmosphere for the occasion, as it played in the Grand Place and later in the store. Considerable attention was attracted to this exhibit. Although it was a purely commercial project, designed to stimulate the sale of Canadian garments purchased in Montreal early in the year for the Belgian market, it represented the successful conclusion of a campaign on which this Department has been engaged for some years, in co-operation with Canadian manufacturers.

This Branch was actively associated, for the second year in succession, with a group of thirty-four Sloan Fellows from the Massachusetts Institute of Technology who visited Ottawa in March. They were afforded an opportunity of familiarizing themselves with the economy and development of this country in a series of discussions with leading government officials. These junior executives, selected from leading firms across the United States and including one Canadian, later visited Toronto, where they were guests of Avro Aircraft Limited, Orenda Engines Limited and the Ford Motor Company of Canada Limited.

Prior to the departure of the Canadian Trade Mission to the United Kingdom in November, this Branch in collaboration with other parts of the Department prepared a briefing book for the information of the members. This set forth the purposes and objectives of the Mission, the general program, and contained sections on Canada-United Kingdom trade relations, Canada-Commonwealth tariff relations, Canadian economic development and its implications for the United Kingdom, the Canadian market for United Kingdom goods, common complaints by Canadian importers of British goods, the General Agreement on Tariffs and Trade, the European Trade Area and the Common Market. The book also contained biographical notes on members of the Mission, notes on their respective firms and associations, and on the principal cities to be visited in the United Kingdom. Statistical tables on trade were also incorporated to provide additional background information.



# INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION

(Colombo Plan Administration in Canada)

The administration of Canada's participation in the Colombo Plan—a Commonwealth effort to help the peoples of South and South-East Asia to raise their standards of living and productivity—is the responsibility of this Division. The Canadian contribution is of two types, capital assistance and technical co-operation. Under capital assistance, grants of goods or services are made to countries in the area on a government-to-government basis. Technical co-operation embraces the training of Asians in a variety of fields in Canada and the supplying of Canadian experts to advise and instruct abroad. The funds to finance Canada's contribution to the Colombo Plan are voted by Parliament on a yearly basis.

The Division also assists the United Nations and its specialized agencies in the recruiting of technical experts and in the arrangement of courses of instruction for trainees sent to Canada for study.

Canada's sixth year of participation in the Colombo Plan marked a continuation of previous policy: to aid in putting a floor under the living standards of the people of South-East Asia. The fiscal year 1956-57, covered in this report, saw Canada's annual contribution brought up to a total of \$34.4 millions.

To handle this larger capital sum, it was necessary to increase slightly the staff of this Division and to send a man to work in the field, (Pakistan). The employment of a field officer supplied a long-felt want and if successful in Pakistan, field officers elsewhere will be considered.

The year saw a number of projects brought to completion, twelve new ones started and eight others enlarged in scope. Efforts to train South-East Asians coming to Canada were also expanded to meet the steadily increasing demand. The following list gives some idea of the fields of endeavour in which the Division was active:—

Agricultural research and development

Biological research and pest control

Fisheries research, storage and processing of by-products

Hydro-electric and thermal generation, power distribution and irrigation

Development and modernization of transport systems and harbour facilities

Provision of telecommunication equipment

Atomic and deep therapy research and training of scientific personnel

Building and equipping of technical schools and other training facilities

Aerial surveys to determine physical resources and potentialities

Provision of commodities for the generation of counterpart funds.



## CAPITAL ASSISTANCE

### India

In assisting India's efforts to improve the standards of living of her people, nearly \$80 millions of capital assistance have been allocated to date.

During 1956-57, the Mayurakshi Hydro-Electric Generating and Irrigation Scheme was completed. This scheme was inaugurated to control flooding in the area, to provide very much more irrigation and 4,000 k.w. of electricity to be used for the purpose of inaugurating small industries which it was hoped would take up the unemployment of peasants when they could not work on their land.

Shipments of the balance of \$5 millions worth of copper and aluminum were made to assist India in maintaining industries dependent on those metals which she was unable to purchase in full for herself owing to shortage of foreign exchange. These commodity shipments proved very helpful to the overall economy of the country. The counterpart funds generated by the sale of these materials were allocated to meet local costs of the Umtru Hydro-Electric Project and the Canada-India Atomic Reactor.

The Umtru Project was completed and at the end of the period was under test. It has since been handed over to the Indian authorities. It is hoped that the development of the Umtru area in Assam will now be able to go ahead due to the fact that power is available.

Since there are few undeveloped sources of power left in India, Indian engineers and scientists have been investigating the possibilities of atomic power. Realizing that without considerable research and the development of a trained scientific force this source of power could not be developed, India asked Canada to consider the provision of an NRX type reactor and the basic training of Indian scientific staffs under the auspices of the Colombo Plan. An agreement to this effect was signed between the Governments of India and Canada on April 28, 1956, and as a first step towards the financing of this project, \$5 millions were allocated out of the 1956-57 program. Arrangements were made for 36 Indian scientists to come to Canada to undertake an extended period of study. Atomic Energy of Canada Limited assumed responsibility for design, construction and start-up of the reactor. The Indian scientists arrived at Chalk River in September 1956 and Canadian personnel proceeded to India to supervise the work. This project is going ahead in a satisfactory manner.

During 1956-57, the shipment of the 120 locomotives to assist India in maintaining her railway system, badly run-down during World War II, was completed. Fifty locomotive boilers were also contributed.

In 1956, an Aero-Magnetic Survey of West Rajasthan and the Ganges Basin was undertaken. All airborne work was completed and the task of correlating the data obtained, compiling information for final analysis, etc., was still in process at fiscal year-end.

India is being assisted to develop the Kundah Hydro-Electric Scheme in the Nilgiri Hills of Southern India. Canada's commitment was a contribution of not more than \$20 millions for this project, although this amount may later be enlarged if it be decided to assist India further with the building of the necessary distribution lines. During the period under review, the \$7 millions required to complete the authorized \$20 millions of financing were contributed, orders were placed for the generating equipment and related equipment. At the end of the period this project was progressing on schedule and was being handled in a very satisfactory way by our Consulting Engineers.

During 1956-57, the provision of small diesel generating sets for the rural areas of India reached the assembly stage and shipments were expected to start soon.

## Pakistan

Canada's total capital aid to Pakistan to date has amounted to \$57.2 millions, involving an increment of \$9.4 millions in 1956-57. While the major portion of these funds was required for the Warsak Hydro-Electric and Irrigation Scheme, the financing of the Resources Survey was completed, a number of trucks were ordered for the Locust Control Project and several other projects were brought to completion.

Canada's share of the costs of the Warsak Project is estimated at \$36.4 millions. Expenditure to date has totalled \$27.6 millions. Work on the diversion tunnel was completed and excavation work was undertaken for the power house site and the approach to the irrigation tunnel. Though this represented a considerable amount of work, the pace in general has been slow due to the necessity of training local labour. During 1956-57, the project was behind schedule, but it is hoped that with more experience the contractors could step up the work for the next year.

The Maple Leaf Cement Plant at Daud Khel was given a satisfactory test run during this period and brought into production. This plant was turned over to Pakistan in September 1956. Canada's total contribution to this project was \$6.6 millions.

During the period, all equipment for the Ganges-Kobadak Thermal Electric Generating Project was being delivered and erection of this plant was expected to be completed in the fall of 1957. This is one of two thermal power plants purchased from the Ontario Hydro-Electric Power Commission. When erected, this plant will provide two steam thermal generators of 5,000 KWH with a 200 KW diesel generator being used for starting purposes. Canada's contribution for this project is estimated to be \$1.5 millions.

In 1956-57, also, the equipment for the Goalpara (Khulna) Thermal Electric Plant arrived at site and construction commenced. This is the second of the two thermal power plants bought from the Ontario Hydro-Electric Power Commission for re-erection in Pakistan.

The final specifications were completed for the Dacca Chittagong power distribution link, orders were placed and shipment of this equipment com-

menced. This project is designed to connect several existing power generating units in East Pakistan and to distribute their collective power output over a grid system which the Canadian contribution will make possible.

By the Aerial Resources Photographic Survey of 302,500 square miles of West Pakistan, begun in 1953, Canada undertook to provide geological and land use information basic to the development of Pakistan's economy. This project has been progressing very satisfactorily and it is expected that the geological and soils maps and reports containing the compilation and interpretation of the findings of this survey will be available early in 1958. Present total cost to Canada for this survey is estimated to be \$3 millions.

So far as foreign exchange is concerned, Pakistan is in the same predicament as India. This means that the curtailing of her foreign exchange commitments to a considerable extent results in the curtailment of the output of her factories and to a shortage of the raw materials which must be imported. The result of course is less industrial production, and unemployment. To assist in alleviating this situation Canada undertook to provide \$1 million worth of metals to Pakistan. As part of this project 300 long tons of copper were supplied during the period.

Construction equipment for the Shadiwal Hydro-Electric Power Project was shipped during 1956-57 and Canadian personnel were sent to the site to supervise preparatory work. This project is part of a major FAO scheme for the reclamation of large agricultural areas which have been rendered unusable by the rise in the water table and the consequent salinity of the soil. Canada's contribution is the dewatering and construction equipment and the design and supply of the generating and power house equipment at an approximate cost of \$2.5 millions.

Shipment of 20 trucks equipped with stake bodies and two-way radios was made during the period as a further contribution to the locust control program being undertaken by Pakistan, India and other countries in the Arabian Peninsula. The cost of this contribution to Canada was approximately \$100,000. It is a worthwhile attempt to cut off the locusts (which do so much damage to Indian and Pakistani crops) at their source in Arabia.

## Ceylon

Canada's assistance to Ceylon under Colombo Plan auspices during the fiscal year 1956-57 was concentrated for the most part on the further financing of projects already undertaken. Roughly, the contribution has been \$2 millions annually, and the appropriation granted during 1956-57 brings the total aid to Ceylon to approximately \$10 millions.

The sum of \$338,700 was allocated to the aerial resources photographic survey so that it could include air photography, controlled mosaics, planimetric mapping, geological and regional agricultural surveys, and also be made to cover irrigation and town planning possibilities. The survey had already proved to be of considerable assistance to Ceylon in determining the economic potentialities of the country. With the appropriation mentioned above the total contribution to the project stood at \$538,700.



The International Airport at Ratmalana, Ceylon, was badly in need of up-to-date equipment and better facilities for the control of aerial traffic. During the period a further allocation of \$80,000 was made to this project, bringing Canada's total contribution to \$292,000.

Ceylon is one of the countries in South-East Asia which lends itself more to the use of agricultural machinery than do many others. There is a necessity to relieve the population pressure around Colombo by opening up new agricultural areas in the center of the island. To assist in this work and in the farm servicing and agricultural instruction programs developed by Dr. Hardy, a Canadian working in Ceylon under the auspices of FAO, total assistance to this agricultural program was raised to \$340,000. The work is being carried on through the establishment of agricultural stations and workshops in the various areas. Such things as tools, visual aid units and mobile dispensary units for veterinary purposes have been supplied. In connection with the same work, assistance has been extended to a pest control program, also under the direction of Dr. Hardy. Ten additional spray units were provided and this pest control project has now been aided to the extent of \$64,000. The work being done has proved effective.

Through various media of international aid apart from Canada, the Government of Ceylon was able to build the Gal Oya generating plant, but insufficient aid was granted initially to provide for the network of lines to distribute the power. To make the generating plant effective, Canada undertook to supply this deficiency, and during 1956-57 a grant of \$400,000 was made to this network.

Year by year Canada has been assisting the railway expansion program in Ceylon by the provision of diesel locomotives, and during the period under review two such locomotives were ordered, making a total of ten in all. These are being named after Canadian provinces. Total cost of this project to date has been \$1,782,000.

In addition to the projects mentioned above, Canada gave Ceylon flour for the creation of rupee funds for various purposes during 1956-57, and the local funds generated from the sale of the flour to the value of \$645,000 will be devoted to a Veterinary Building at the University of Ceylon, the construction of an Institute for Practical Technology, and to building badly needed rural roads.

## Burma

An allocation of \$85,000 was made for the supply of tools and equipment to the Rangoon Technical High School. There is probably no country in the area which stands more in need of training of its young people in technical skills than Burma.

To assist in the general development of the country, the Burma Survey Department was granted \$40,000 to assist in expanding their ability to interpret their air photography, mapping and photogrammetry.



## Indonesia

It proved difficult to come to grips with the situation in Indonesia from the point of view of practical aid. Canadian experts are working in that country and one of them, who is amongst other things studying the possibilities of the manufacture of cement in the country, asked for a small library to assist him in his work. This library will be turned over to the University there when he has finished with it. The books requested cost the Colombo Plan \$434.66, a relatively small contribution with useful possibilities out of all proportion to the cost.

## Malaya

In 1956-57, Canada undertook to provide an Aero-Magnetic and Radioactivity Survey for Malaya at a cost of \$201,000. A considerable amount of flying was completed by early 1957, and it was expected that final reports on the results obtained would be ready later in the year.

## Singapore

Canada entered into an arrangement for supplying workshop equipment to the Singapore Polytechnic Institute to the value of \$50,000. This Institute is reasonably well staffed by competent experts and the arrangement was that they were to consult Canadian catalogues and see what Canada could supply which would meet their needs. At the end of the period under review this work was proceeding well.

## TECHNICAL CO-OPERATION SERVICE

In the fiscal year 1956-57 technical assistance increased. Expenditures totalled \$1,376,000, an increase of \$474,000 over the figure for 1955-56. Since the beginning of the Plan, Canada has expended roughly \$4.0 millions on technical assistance.

## Trainees

This increase reflected the growing number of trainees coming to Canada. In addition, the Technical Co-operation Scheme is responsible for arranging training programs in Canada for students sponsored by the United Nations Expanded Technical Assistance Program, UNESCO and other agencies, although in such cases the costs are borne by the agencies concerned.

The following table gives the figures for the number of trainees who came to Canada in the years 1954, 1955 and 1956:

	1954	1955	1956
Colombo Plan .....	83	139	253
U.N. and other agencies.....	46	64	60
	<hr/>	<hr/>	<hr/>
	129	203	313

It will be noted that the United Nations agencies have maintained a fairly steady level, whereas Colombo Plan arrivals have been increasing annually by approximately seventy per cent.

During the period under review, twelve countries sent scholars and fellows to Canada under Colombo Plan sponsorship and many other countries were represented through the United Nations program. As in previous years, while Industrial Development, Agriculture, Medicine and Public Administration were the most popular fields of study, a wide range of scientific and technical courses was also undertaken.

The largest new training programs undertaken in 1956-57 provided for:

- (a) six students each from Indonesia and Pakistan to undertake an intensive survey of railway operations in Canada with special emphasis on signal engineering, accounting and maintenance;
- (b) another group from Pakistan to make a special study of the methods employed in the Canadian pulp and paper industry;
- (c) twenty-eight Indian scientists to come to Chalk River for a special course on atomic reactor operation, which would continue until November 1957. This group will form the nucleus of the staff for the Canada-India Reactor now being provided for under capital assistance.

As has been the case since the inception of the Technical Co-operation Scheme in 1951, the effectiveness of the various training programs was made possible only by the willing co-operation and constructive advice extended, usually without payment, by the many organizations and individuals concerned. The help provided by Canadian universities, business and industrial concerns, municipal, provincial and federal departments and many other public and private agencies and individuals was invaluable.

### Experts

Thirty-three Canadian experts served abroad in South and South-East Asia during the period and the following new assignments were made, among others:

**Ceylon**—An advisor in general economics and trade

—A plant manager to supervise the operations of a new fish processing plant

—An electro-medical engineer to instruct on the use and maintenance of electro-medical equipment

**Burma**—A specialist in agricultural mechanics to instruct in the use and maintenance of agricultural machinery

—A radiophysicist to instruct in the use of cobalt beam therapy

—A radiotherapist to work with the new cobalt beam therapy unit in Burma.

**Pakistan**—An advisor in milk production and distribution

**Indonesia**—An instructor in physiotherapy

New ground was also broken in Sarawak, where a team of three Canadian instructors in teaching was sent to assist in the modernization and general expansion of the primary educational staffs of that country.

It will also be of interest to note that 111 other Canadians were also serving in some 40 countries with United Nations and its specialized agencies during the calendar year 1956.

## INTERNATIONAL TRADE RELATIONS BRANCH

This Branch, in co-operation with other Branches and other interested Departments, is responsible for the development and conduct of Canada's trade relations with other countries, including the negotiation and administration of trade agreements and other matters of commercial policy. In addition, the Branch provides advice and assistance to Canadian exporters with respect to the tariffs, import and exchange controls, documentation requirements and other foreign governmental trade regulations in export markets. The Branch maintains comprehensive and up-to-date information on all such policies and regulations in foreign countries and publicizes new measures in this field. During 1957 Branch activities included preparation for, and participation in, such meetings as the Commonwealth Finance Ministers Conference at Mt. Tremblant, the 12th Session of the GATT, and consultations on the European Common Market and proposed Free Trade Area. Commercial policy developments in the United States and other countries were kept under continuing review.

Appendix "D" lists Tariff Arrangements in Force as at 31 December 1957.

## The United Kingdom and Other Commonwealth Countries

A number of meetings were held during the year regarding trade matters of interest to Canada and the United Kingdom. At the meeting of Canadian and United Kingdom Ministers in Bermuda in March various economic matters were discussed, including the implications of the European Common Market and the proposed Free Trade Area. Meetings of the United Kingdom-Canada Continuing Committee on Trade and Economic Affairs were held in Ottawa during May when a full exchange of views between Canadian and United Kingdom officials took place. In October, following the Commonwealth Finance Ministers Conference at Mt. Tremblant, important meetings were held in Ottawa between Canadian and United Kingdom Ministers and officials to discuss ways of expanding Anglo-Canadian trade. Among the measures announced with a view to encouraging imports from the United Kingdom were a visit by a Canadian Trade Mission to the United Kingdom, a review of Canadian tax exemptions for tourists, and a review of Canadian Government purchasing.

Throughout the year the United Kingdom was engaged in complex negotiations with other European countries for the establishment of a Free



Trade Area in Europe. Under these arrangements, the United Kingdom and other European countries would remove tariffs and other trade barriers among themselves but each would retain its own tariff system vis-a-vis the outside world. These negotiations were followed closely by Canada and there were frequent consultations with United Kingdom authorities with respect to the nature of the proposed arrangements and their possible effects on Canadian trade. This was one of the important subjects discussed at the Commonwealth Prime Ministers Conference held in London in June.

During the year the United Kingdom made further relaxation in import controls affecting dollar goods. In July the United Kingdom announced removal of licensing restrictions from an extensive list of products, including a wide range of basic raw materials and some other items. In addition, a global quota of £2 millions for leather was announced, and quotas covering a number of imports from the dollar area were renewed. Other developments in the field of United Kingdom regulations included the adoption of anti-dumping and anti-subsidy legislation in April, and the simplification of Imperial Preference conditions and of the method of assessing duty on certain goods.

A notable event with respect to Commonwealth trade in 1957 was the Conference of Commonwealth Finance Ministers held at Mt. Tremblant in October, which recommended the convening of a Commonwealth Trade and Economic Conference in 1958. Consultations with other Commonwealth Governments respecting the 1958 Conference have been proceeding.

Other Commonwealth trade developments during the year included meetings with officials from the British West Indies when some of the implications of the prospective West Indies Federation for Canadian trade were considered. Australia formally concluded its new trade agreement with the United Kingdom, under which it obtained freedom to make substantial reductions in the preferential tariff margins bound to the United Kingdom. Consequent adjustments were made in the Australian Tariff which involved changes in tariff preferences on a wide range of goods. Consultations were held with Australian authorities with respect to the effect of such changes on Canadian trade. In recent years South African regulations have had the indirect effect of encouraging some Canadian exports to be shipped through United States ports. This has applied particularly to motor vehicle exports. Changes made in import licensing of motor vehicles in 1957 appear likely to facilitate some of these exports through Canadian ports. The Branch also followed matters arising from income taxation measures in India and Ceylon affecting Canadian firms and was in close contact with the interested parties. A trade agreement between Canada and the Federation of Rhodesia and Nyasaland, to take into account the tariff reforms resulting from the union of these African territories, was discussed.

Various developments took place with respect to import restrictions in other Commonwealth countries. In South Africa only a few import



restrictions remain and these do not discriminate as between dollar and non-dollar countries. Australia introduced some relaxation in its restrictions on dollar goods during the year. On the other hand, India, faced with increased balance of payments difficulties, intensified its trade controls. However the degree of discrimination against dollar goods was reduced. At the end of the year New Zealand announced further tightening of its import restrictions to take effect in January, 1958.

Apart from these major developments, which were the subject of discussion during the year, there was a continuous flow of correspondence and numerous interviews between the Branch and Canadian firms regarding Commonwealth trade. In many cases consultations were arranged with the authorities of these countries with respect to problems faced by Canadian exporters.

## United States

The Branch continued to give close attention to United States policies and practices affecting international trade and to work closely with firms on problems related to the United States tariff, customs valuation and other matters of customs administration. Discussions in Congress with respect to a number of bills affecting United States anti-dumping legislation and other trade matters were kept under review. Towards the end of the year the United States Administration announced its proposals for renewal of the Reciprocal Trade Agreements legislation, which is due to expire in June, 1958.

In October a meeting of Canadian and United States Cabinet Ministers in the Joint Committee on Trade and Economic Affairs took place in Washington. Among the subjects discussed were the problems created for Canada by the United States programme for disposal of agricultural surpluses and the possibility of United States tariff increases on lead and zinc.

Of major concern were the United States Administration's proposals for increases in United States tariff on lead and zinc. In June the Administration sought legislative action to this end. Congress urged instead that this should be done through administrative action and in October the United States Tariff Commission instituted an investigation on lead and zinc under the "escape clause" procedures. Public hearings were held, and representatives of Canadian industry expressed their views. The Canadian Government made formal representations to the United States opposing any restrictive action on imports of Canadian lead and zinc. At year end the matter remained unsolved.

A further matter of concern related to United States restrictions on oil imports. In December the United States Administration announced that its program of restricting oil imports through the voluntary actions of oil importers had been extended to cover imports into the United States west coast area. This area, which had become the principal export market for

Canadian oil, had previously been exempted from such restrictions. The Canadian Government protested these restrictions and indicated it would continue to press for their removal.

In the case of threatened restrictions on imports of cordage and twine, the Office of Defense Mobilization, Washington, announced in March its decision that no action against imports was warranted with respect to the claim by United States industry that such imports were threatening to impair the national security. However, in August the Office of Defense Mobilization announced that a further study of cordage imports would be undertaken. This matter is being given the closest attention.

With regard to the longstanding restrictions on imports of agricultural products from Canada, a number of developments occurred. In the case of rye, a Tariff Commission recommendation for a 50 per cent cut in the quota was rejected by the President. The quota of 186 million pounds, of which 182,280,000 is allocated to Canada, was retained for a further two-year period from July 1, 1957. The tariff quota on alsike clover seed was increased from 2.5 million to 3 million pounds annually for a further period of two years also effective July 1st. Imports under the quota enter at  $2\frac{1}{2}\phi$  per pound as against the non-quota rate of  $6\phi$  per pound. The duty on casein was suspended effective September 2, 1957, until March 31, 1960. As a result of negotiations between Canada and the United States on potatoes, the previous United States annual tariff quota of 2.5 million bushels for seed potatoes was reduced by 600,000 bushels and the previous 1 million bushel annual tariff quota for table-stock potatoes was reduced by 400,000 bushels.

On June 30th the United States brought into force the second stage of reductions in the rates of duty on all the tariff items negotiated under GATT in 1956. These represented reductions of approximately 5 per cent and covered a wide range of products of interest to Canada. The third and final stage of reductions is scheduled to take place on June 30, 1958, by which time the United States tariff on these negotiated items will have been brought down from previous levels by about 15 per cent.

## Europe

Several important trade developments in Europe during 1957 meant increased activity for the Branch. The conclusion of the European Economic Community Treaty, the negotiations for a European Free Trade Area, and consultations under GATT respecting import controls maintained by European countries, were among such developments. Increasing interest was shown by Canadian exporters regarding European trade regulations and the long-term outlook for Canadian exports. In the light of a changing framework of rules governing European trade, the Branch kept under review Canada's trade relations with European countries and participated in discussions and consultations in this field. European government authorities were approached on various occasions with respect to import restrictions on Canadian products.

The Common Market among six European countries (Belgium, France, Germany, Italy, Luxembourg and The Netherlands) took an important step towards materializing when the Treaty to establish the European Economic Community was signed in Rome in March and was subsequently ratified by the various participating countries. The Treaty was due to come into effect on January 1, 1958. The Branch conducted intensive investigations with respect to the possible effects of the European Common Market arrangements on Canadian trade, and participated in discussions held with the governments of the six countries, both directly and under the GATT. Other European countries, including the United Kingdom, were engaged in negotiations for the establishment of a Free Trade Area to be associated with the Common Market.

Consultations under GATT were held in June with eight European countries which continue to maintain quantitative import restrictions. Of particular importance were the conclusions reached that the Federal Republic of Germany is no longer justified under GATT in maintaining restrictions for balance of payments reasons. Germany had made certain relaxations of import controls in May, 1957, but extensive restrictions remained in effect. The German Government undertook to re-examine its import policies with a view to bringing them into conformity with its international obligations. At these GATT consultations Italy and Sweden announced measures to reduce restrictions on dollar imports. With two exceptions, other European countries retained the broad scope of dollar import liberalization which had been achieved in previous years. France, however, encountered serious exchange difficulties and reimposed some restrictions, thus further tightening its system of trade controls. In September the French Government announced measures which had the effect of reducing the exchange value of the French franc by 20 per cent. Finland, too, had problems. Earlier in the year the country had suspended its import liberalization altogether. Liberalization measures were reintroduced in December but discrimination against dollar goods remains.

In the field of tariffs, as part of its anti-inflationary measures, Germany in August made temporary reductions in its tariffs on most industrial products. The Branch initiated preparations for tariff negotiations to be held with Switzerland in Geneva in May, 1958, with a view to the accession of Switzerland to the GATT.

## Latin America

There were a number of developments of importance in the field of trade regulations in Latin America during 1957. There was a trend in many countries towards revising and simplifying existing tariffs and trade controls. Of particular interest were the extensive tariff and exchange revisions introduced by Brazil in August—a new ad valorem tariff and reduction of the previous five exchange categories for imports to two. The implications of these changes were kept under close review by the Branch and preparations were made for negotiations on the new Brazil tariff, due to begin in Geneva



in February, 1958. Cuba made preparations for extensive tariff revisions which were to be implemented in 1958. In June, Colombia introduced a fluctuating rate of exchange for all trade transactions and changes were made in the system of licensing controls. The percentage requirement for prior deposits was increased to 100 per cent ad valorem in September. Bolivia made extensive tariff reductions on essential imports in May, and all trade and exchange restrictions were removed under the economic reform program. In August, Paraguay established a free exchange market and eliminated trade controls. Uruguay, however, temporarily halted imports in October as a result of a serious drop in exchange receipts from exports of wool. Imports of only the most essential goods are now permitted. Substantial changes in the Uruguayan import control system were under consideration at the end of the year.

Of the Caribbean countries and Mexico, the Central American Republics and Venezuela, only a few maintained import restrictions and these were primarily for protective purposes. Canadian exports to these dollar markets continued to increase during the year despite sharp competition from the United States and Europe. On October 11th the trade agreement between Canada and Venezuela which provides for exchange of most-favoured-nation treatment was renewed for another year.

In August the Canadian Ambassador to Venezuela attended the Economic Conference of the Organization of American States as Canadian Observer. Among the important matters discussed at this Conference were closer economic co-operation among the Latin American countries including a suggestion for the setting up of a common market in Latin America.

The Branch kept the foregoing developments and changes in trade regulations under review and initiated arrangements for discussions with government authorities in various countries of the area with respect to matters affecting Canadian trade.

## Asia and the Middle East

Developments in various non-Commonwealth countries in Asia and the Middle East were given close attention by the Branch, insofar as they affected Canadian trade interests. Japan, which continued to be one of Canada's major export markets and trading partners, experienced some deterioration in its balance of payments during the year and made corresponding adjustments in its exchange budgets which provide the framework for its import licensing controls. A number of Canada's major exports to Japan are guaranteed non-discriminatory treatment under the trade agreement of 1954.

Among developments of interest were the tariff increases introduced by the Philippines, which affected Canadian exports of flour and newsprint particularly. Substantial import relaxations were applied by Iran.



## International Organizations

Canada's participation in various international trade and economic organizations involved extensive activities during 1957. Of particular importance were the discussions on the European Free Trade Area and the meetings of the GATT Contracting Parties. Developments in the field of commodity agreements were kept under review and a member of the Branch participated in the meeting of the Commission on International Commodity Trade held in May in New York.

Throughout the year the Branch participated in the provision of guidance and instructions to the Canadian delegation to the Organization for European Economic Co-operation in Paris. Of particular importance were the detailed discussions held in that forum on the proposals for a European Free Trade Area. Meetings were held, both at the Ministerial level and at the technical level, to prepare the ground for the Free Trade Area negotiations, and by the end of the year much progress had been made in clarifying the issues involved. One of the major problems to be resolved by the European countries is that of agreeing on origin requirements for goods entitled to Free Trade Area treatment. This is a matter of direct concern to Canadian exporters of primary and semi-fabricated products and the Branch maintained close contact with interested Canadian firms to ensure that Canadian interests were safe-guarded in these European arrangements. Various other aspects of the Free Trade Area proposals were given detailed examination to enable Canadian views to be formulated.

A series of meetings were held under the GATT during the year and members of the Branch were included in the Canadian delegations to these meetings. Of special importance was the October meeting of Trade Ministers, which was held during the 12th Session of the GATT in Geneva and which was attended by the Minister of Trade and Commerce.

The most important issue before the GATT Contracting Parties during the year was the Treaty to establish the European Economic Community. This Treaty, signed in Rome in March and scheduled to come into effect on January 1, 1958, has important implications for trade relations between the six signatory countries and the other contracting parties to the GATT. While the General Agreement allows for the setting up of a customs union among two or more countries, it also lays down general conditions that must be observed. The review of the European Common Market Treaty in the light of GATT principles and provisions was initiated at GATT meetings in Geneva in April and September. A more detailed review took place at the 12th Session of the GATT in October and November. Further discussions on the European Common Market within the GATT forum are scheduled for 1958.

Detailed consultations were held under the GATT with some twenty-one countries on the restrictions which they are maintaining on imports in order to protect their balance of payments. This was the first comprehensive program of such consultations since 1951. In June, discussions were held with eight European countries, including Germany, Italy and the Netherlands.

Consultations with a further thirteen countries were held in the course of the 12th Session of the GATT in October and November. A number of countries, including Italy, Sweden and Norway, announced new relaxations of restrictions on imports and Germany was found to be no longer justified under GATT in maintaining restrictions for balance of payments reasons. A further general round of consultations is scheduled for 1959.

Other matters dealt with during the 12th Session of the GATT included the accession of the Federation of Malaya and Ghana as new GATT members in their own right. The adherence of these two countries brings total membership to thirty-seven. Arrangements were made for tariff negotiations with Brazil and with Cuba in the course of 1958. These negotiations are necessitated by the introduction of new tariffs by these countries. Arrangements were also made for the tariff negotiations relating to Switzerland's accession to the GATT. Subject to these and other tariff renegotiations, the GATT schedules of tariff concessions were rebound by most countries for a further three-year period from January 1, 1958.

## STANDARDS BRANCH

A large part of the activity of the Standards Branch is directed towards the supervision of commercial measurement in the fields of general trade and of gas and electricity distribution, including export. Control is maintained over the types of equipment which may be used for such measurement, and during the period of use inspections are made to ensure continuing accuracy. The Branch's Laboratory is responsible for the type approval of such equipment in addition to the maintenance of field inspectors' standards. In conjunction with this responsibility, it carries out considerable calibration work for industry.

Requests are made from time to time for regulations to ensure truthful labelling of commodities and for the development of specifications to be used in connection with the National Mark. Where possible, these are advanced in conjunction with manufacturers and consumers, with the assistance of the National Research Council. Also, in this field of standards work, an inspection program ensures the accuracy of quality markings on all articles composed of or plated with precious metals.

The Branch is also active in the various phases of government standardization development.

During 1957 there was a slight increase in the number of electricity and gas meters, weighing and measuring devices, in use in Canada. In general inspections were carried out satisfactorily. With an increasing tendency to greater accuracy in all phases of commercial measurement, the devices in use are becoming more complex. The additional work load involved in the gas testing field with the extension of natural gas services in many areas is becoming more evident.

The laboratory, established in new quarters, maintained a high level of approvals and calibrations of governmental and industrial standards.

The work of the Branch in 1957 is reviewed below in terms of the various Acts which concern it.

## Electricity Inspection Act and Gas Inspection Act

Meter inspections during 1957 equalled those for the previous year with revenue level being maintained. New electricity meters dropped off sharply due to the cut-back in new housing. However, this was more than offset by an increase in new gas meters.

### Electricity Meters and Gas Meters Tested

	1956	1957
New electricity meters tested .....	358,845	327,278
Electricity meters reverified .....	642,546	652,208
Total electricity meters tested .....	1,001,391	979,486
New gas meters tested .....	73,238	99,195
Gas meters reverified .....	143,667	128,416
Total gas meters tested .....	216,905	227,611
Grand total .....	1,218,296	1,207,097

### Number of Meters in Use

	1956	1957
Number of electricity meters in use .....	4,380,889	4,571,485
Number of gas meters in use .....	927,364	955,034
Total number of meters in use .....	5,308,253	5,526,519

NOTE: A statement of revenue and expenditure covering electricity and gas operations for the fiscal year ended March 31, 1957 is contained in Appendix "E".

## Exportation of Power and Fluids and Importation of Gas Act

This Act prohibits the export from Canada, without a licence, of electrical energy or piped fluids, which include natural gas, and in addition prohibits the import into Canada, without a licence, of natural or other hydrocarbon gases.

The volume of natural gas exported during 1957 was somewhat higher than for the previous year. A third company commenced export on October 1, 1957 and accounted for the increase. All gas exports were in accordance with authorizations of the Petroleum and Natural Gas Conservation Board of Alberta and the Federal Government.

The volumes of natural gas imported were considerably higher than for 1956. However, the volumes were well within the amounts authorized. One company ceased importing on September 30, 1957 and is now exporting.

Oil exports continued via the pipe lines of the Interprovincial Pipe Line Company and the Trans Mountain Oil Pipe Line Company. Nineteen licences were issued, three more than in the previous year.

All twenty licences in effect during 1956 for the export of electrical energy were renewed in 1957. Changed conditions resulted in a decrease in export volume from the previous year for one licensee.



## Exportation of Electricity and Fluids and Importation of Gas

	1956	1957
Kilowatthours of electric energy generated for use in Canada by exporting companies.....	31,434,841,849	34,266,663,106
Kilowatthours of electric energy exported.....	5,103,669,175	4,829,625,459
Cubic feet of natural gas exported.....	10,828,338,500	21,469,744,000
Cubic feet of natural gas imported.....	17,169,072,720	30,928,642,900
Number of export licences issued:		
Electric .....	20	20
Gas .....	1	0
Crude oil .....	18*	19
Brine (sodium chloride in water).....	1	1
Number of gas import licences issued.....	1	0
Licence fees .....	\$975.00	\$1,000.00
Export tax collected (electricity).....	\$1,531,100.72	\$1,448,887.64

\* Two of these licences were issued before March 31, 1956 and required renewal on April 1, 1956.

## Weights and Measures Act

Inspections about equalled those of last year. There has been a noted increase in the number of installations of large, modern automatic weighing machines equipped with intricate mechanical or electronic controls and remote recording mechanisms. While there were fewer approvals of devices, these included new automatic machines and also new types of metering equipment which incorporate remote pumping units and duplicate remote recording mechanisms.

Boats were again chartered in Newfoundland and on the West Coast to inspect equipment in isolated coastal areas.

Our mobile heavy duty test truck inspected 1,118 scales and travelled 13,300 miles. Our mobile volumetric test truck inspected 986 meters and tank trucks and travelled 7,300 miles. The volumetric test truck has proved its value and a similar unit was recently delivered. It is proposed to use this in Western Canada next year.

An improvement was also noted in the short weight field.

### Weighing and Measuring Devices Tested

	1956	1957
Number of weighing machines (including scales of all kinds)	235,716	227,826
Number of measuring machines (liquids).....	92,452	92,807
Other weights.....	129,202	128,848
Other measures.....	20,733	19,637

### Inspections made and Warnings issued

	1956	1957
Items of prepackaged goods inspected.....	252,276	379,029
Warnings issued .....	2,207	2,344
Special checks on traders' scales .....	25,904	37,978
Warnings issued.....	739	707
Warnings issued re net weight markings.....	1,890	1,716
Prosecutions instituted.....	29	77

NOTE: A statement of revenue and expenditure covering weights and measures operations for the fiscal year ended March 31, 1957 is contained in Appendix "F".



## Standards Laboratory

For the past few years the work of the Standards laboratory has been hampered by cramped quarters. However, this year the laboratory moved to a new building, which will result in a more efficient operation. In spite of the disruption occasioned by the move, the schedules for the field calibrations and test equipment maintenance were kept well up to previous years. Approval tests, although given a set back for the same reason, were again being handled expeditiously by the end of the year.

With improved accommodation, the quality of work turned out by the laboratory was higher. In the repair and servicing of field balances in particular it was possible to institute new, more thorough procedures which should result in noticeably better performance of the instruments in the hands of the inspectors.

A start was made in equipping the gas laboratory with improved facilities to meet the rapidly increasing demands being made upon the field inspection service, and gas measurement practice in general.

Following is a brief summary of work done during 1957 with a comparison with the previous year:

### A. Electricity and Gas

	1956	1957
Verification of field standards .....	319	501
Verification of commercial instruments .....	74	148
New equipment tested.....	14	4
New equipment manufactured.....	10	16
Equipment tested for approval of type.....	161	193

### B. Weights and Measures

	1956	1957
Laboratory standards tested .....	93	612
Field reference standards tested.....	610	504
Field working standards tested .....	3,144	3,269
Verifications for commercial firms, government departments and scientific works:		
Calibration of dairy glassware.....	41,053	39,677
Others .....	689	771
Approvals of apparatus reports .....	56	47
Miscellaneous repairs and manufacture of equipment.....	410	561

## Precious Metals Marking Act

The Precious Metals Marking Act provides a uniform standard of quality marking to be applied by manufacturers to articles of gold, silver, platinum and palladium, and of gold plate and silver plate.

During 1957 inspections were made in every province at manufacturing, wholesale and retail levels, as well as at Customs ports. The inspections, together with assay tests of articles and a constant check of advertising material, indicated a satisfactory compliance with the provisions of the Act.

### Precious Metals Inspections made and Warnings issued

	1956	1957
Premises inspected .....	6,781	6,374
Advertising matter examined.....	5,376	4,872
Warnings issued .....	53	79
Assays and tests .....	145	278
Prosecutions .....	0	0
Calls on Customs .....	2,344	2,459
Shipments examined at Customs.....	12,328	10,482
Special reports on violations after inspection of dealer stocks .....	839	765

### National Trade Mark and True Labelling Act

Regulations dealing with the truthful and accurate labelling of fur garments, hosiery, turpentine and textile materials continued to be effective. Consolidation of the Hosiery Marking Regulations recently resulted in the incorporation of changes recommended by the trade. Due to a divergence of opinion between certain segments of the trade, industry and consumers, it has not been possible to set up, as yet, size regulations for sheets and pillow slips.

The Canada Standard for Babcock test bottles fills the need for which it was established. Canada Standard specifications for measuring cups and spoons are now in force. Work continues on the draft specifications to be used as the basis for Canada Standards for children's and women's clothing. Despite the fact that many specifications are now in the final stages of approval, none has been finalized and issued to date.

#### Labelling Inspections

	1956	1957
Premises inspected.....	1,884	1,674
Garments inspected.....	86,214	74,903
Warnings issued.....	56	15
Advertisements examined.....	12,141	13,536
Warnings issued.....	322	289
Prosecutions instituted.....	3	1
Number of labels corrected.....	858	600

### Personnel

Mr. Walter L. Berry, of the Headquarters staff, retired on August 29th. Appointed in 1938, Mr. Berry was in charge of the Precious Metals Marking phase of the work of the Branch, and also handled the Branch's enforcement work.

The Branch records with regret the death of five staff members, or former staff members, during 1957:

James Harold Weekes, Inspector of Electricity and Gas at London, Ont., died on January 1, 1957. An inspector for 28 years at London, Mr. Weekes had been due to commence his retiring leave on January 2, 1957.

Mr. Lincoln Redgrave, Inspector of Electricity and Gas at Vancouver, B.C., died while on retirement leave, April 5, 1957. Mr. Redgrave had commenced retirement leave on December 4, 1956, following 35 years as an Inspector of Electricity and Gas.

Charles Grant, formerly District Inspector of Electricity and Gas at Saint John, N.B., died on October 9th. Mr. Grant had gone on retiring leave October 1st, 1956 after serving for 32 years with the Branch, 27 of them as District Inspector at Saint John.

John R. Moore, Inspector of Weights and Measures at Calgary, Alta., died suddenly on November 2, 1957. He had been an inspector since 1947.

Mr. Alexander S. Rodger, a clerk in the Winnipeg Electricity and Gas Office, died on December 26th, 1957. Mr. Rodger had been with the Winnipeg Office since 1948.

## TRADE COMMISSIONER SERVICE

The primary functions of the Trade Commissioner Service are the development of opportunities abroad for the promotion of Canadian export trade, and the protection of Canadian commercial interests in overseas countries.

In these duties the Trade Commissioner Service has offered continuous assistance to the Canadian business community for more than sixty-three years. At year end 1957, Trade Commissioners were stationed in fifty-eight offices located in key business centres in forty-five countries.

### Organization

The headquarters establishment of the Trade Commissioner Service in Ottawa, comprises an Assistant Deputy Minister in charge of the Service, three administrative divisions, and five area desks each headed by a Trade Commissioner with overseas experience.

The area desks respectively include Asia and the Middle East, the Commonwealth, Europe, Latin America, and the United States. They act as the liaison between the overseas offices and headquarters, maintain contact with foreign missions in Canada, facilitate tours of Canadian businessmen abroad, and assist foreign businessmen visiting Canada.

For similar purposes, the Trade Commissioner Service maintains regional Canadian offices at Vancouver, B.C., and St. John's, Nfld.

When stationed abroad, an officer may serve at one of the 23 trade commissioner posts or may be assigned as a commercial diplomatic or consular officer at one of the missions of the Department of External Affairs.

At diplomatic missions, the Trade Commissioner, while remaining responsible to the Department of Trade and Commerce and retaining his important independence of action, is for the time being a commercial diplomatic officer. He may variously assume the title of Minister (Commercial), Commercial Counsellor, Commercial Secretary, or Assistant Commercial



Secretary, according to his grade in the foreign service. At present there are sixty-five Trade Commissioners attached to Canadian Embassies, High Commissioner's offices, or Legations around the world.

At consular posts, a similar arrangement exists. Trade Commissioners assume the title of Consul General, Deputy Consul General, Consul, or Vice Consul, according to the circumstances. At present fifteen officers are so designated.

There are twenty-three Trade Commissioners located in centres where there are no External Affairs offices. At these posts, in addition to their normal trade promotional work, the trade officers also carry out many consular functions such as the issuing of passports and visas, and the preparation of political reports.

The directory of the Foreign Trade Service Abroad, as at 31 December 1957 is contained in Appendix "G".

## Trade Promotion Activities

To maintain and improve Canada's trading position in a particular territory, the Trade Commissioner undertakes a very wide range of activities. For example, he is expected to prepare economic and trade reports; to recommend local agents or distributors for Canadian exporters; to furnish Canadian businessmen with credit and market information; to engage in tariff negotiations; to recommend, arrange, and staff Canadian displays in international trade fairs; to attend and participate in international conferences as Canadian delegate or observer; to assist visiting Canadian businessmen; to undertake business tours; to maintain close liaison with government officials and businessmen in his area; to assist foreign concerns in establishing branch plants in Canada; to publicize Canada by means of lectures, films, the press, radio, television and the distribution of literature.

He is particularly encouraged to establish and maintain close contact with Canadian exporters and other businessmen by direct correspondence and by periodic visits to Canada to meet individual firms and discuss their foreign trade problems with them.

In the discharge of his duties, the Trade Commissioner has to acquire a broad knowledge about a great variety of subjects such as tariff and import restrictions, freight rates and shipping routes, foreign exchange regulations, market research, and local business practices. He must attain some understanding of international trade policies, banking techniques, arbitration procedures and a great many other things. Additionally he is expected to have a working knowledge of the language of the country in which he is stationed.

While all Trade Commissioners are expected to handle trade promotional work in the field of agriculture and fisheries (for which the Department is also responsible), the Service has a number of agricultural and fisheries specialists located at strategic points abroad.



## Developments in 1957

During 1957, new offices were opened in Vienna, Colombo, Los Angeles and Accra, while the office in Kobe was closed.

The annual reports of the overseas offices for 1957 revealed that Trade Commissioners assisted in initiating and influencing a very substantial volume of new business for Canadian exporters. A total of over 880 new buying or agency connections was established in foreign countries. More than 6,300 enquiries were received from Canadian business firms about markets abroad for their products, while over 8,300 came from foreign firms wanting to purchase Canadian goods. Some 850 enquiries concerning the establishment of branch plants in Canada and licensing agreements were also processed.

The offices received over 175,000 letters and cables; sent more than 225,000. A total of 485 reports on a variety of subjects was prepared specifically for publication in "Foreign Trade", while 664 items were submitted to this Department, and other Departments of Government, for publication elsewhere. Several thousand other reports went to Canadian business firms direct. Personal interviews by Trade Commissioners with businessmen abroad totalled 64,492.

In November, the Commonwealth Area Desk took an active part in the organizing of the Canadian Trade Mission to the United Kingdom. The Area Trade Officer (Commonwealth), and one of the Assistant Trade Commissioners in training, travelled with the Mission as secretariat.

During 1957 an inspection service was established jointly with the Department of External Affairs. Inspection visits were made to posts in Europe and the Caribbean region.

As in previous years, the Department received many letters from companies in Canada attesting to the value of the service and assistance they had received from Trade Commissioners. The Service itself continued its effort to improve the standard of performance which Canadian business has come to expect of it. It also continued to emphasize the value of personal visits by Canadian businessmen to export markets, for best results in expanding export trade.

## Recruiting

The continuing success and effectiveness of the Trade Commissioner Service depend on the type of young man recruited, the nature of the early training he receives, and the maintenance of good service morale.

For many years a rigid standard has been maintained. Entry is by competitive examination. Candidates must be Canadian citizens of at least ten years' residence in Canada, be graduates of a university of recognized standing, and be of good health and good character.

Written examinations are usually held by the Civil Service Commission once a year, at centres across Canada, and abroad. Eligible candidates are set two papers—one a general knowledge test, the other an essay. Candidates

successful in passing these are then called for an oral interview at which their general suitability is decided. In addition to academic achievements, credits are given for business experience, languages spoken, appearance, speech, attitude and other personality factors.

Candidates who attain not less than 60 per cent on each test, with an overall average of 70 per cent or more, are placed on an eligible list in order of merit. Entry into the Trade Commissioner Service is made from the top of this list.

In the examinations held toward the end of 1956, 168 candidates took the written tests. Of these, 69 passed and were called for oral interviews. Of this number, 28 succeeded in passing the oral examination and were placed on the eligible list. Ten were eventually admitted into the Service in 1957 for training, as usual being placed on probation for one year.

## Training

Entry into the Service usually takes place in the late spring or early summer. Each new class comprises about ten young men and though there is no deliberate geographical distribution, it is normally the case that they come from widely separate parts of Canada.

The group undergoes a year's intensive training in Ottawa. The program includes lectures on all aspects of government work within and without the Department, on export trade practice and financing, on report writing, public speaking and administration. Trainees are assigned for varying periods to each Branch of the Department for practical experience in the work concerning commodities, industrial development, information and editing, trade relations, tariffs, trade controls, and administration. They are given opportunities to meet senior government officials and business executives.

On the completion of the program in Ottawa, they are sent on an extensive tour of Canada from coast to coast. During this tour they are brought into personal contact with individuals and firms associated with agriculture, fisheries, forestry, industry and trade. They visit many plants, meet business executives, and gain an intimate first-hand knowledge of Canada.

Having successfully finished the training at head office, and the tour of Canada, the young men are then posted abroad as Assistant Trade Commissioners to offices where they can both work and learn under the guidance of an experienced senior.

Overseas postings vary in length according to the health classification of the post. At unhealthy tropical posts, the period of duty is normally two years; at healthy temperate posts it is usually three and one-half years.

Following a normal tour of duty abroad, the officer returns to Canada for home leave, and for a fresh business tour when he meets those interested in export trade and discusses trade prospects in his territory. Subsequently he returns to his post, is transferred to a different post, or is assigned to a position at Ottawa for a three-year period. These regular visits to Canada are not only important in enabling an officer to retain his Canadian point

of view, but they are an exceedingly valuable means of conveying information about trade opportunities in overseas countries, to Canadian exporters at first hand.

In an officer's early years, emphasis is placed on giving him as wide experience as possible, thus increasing his usefulness. Juniors move frequently from post to post, are encouraged to learn foreign languages, are assigned a wide variety of responsibilities. Initiative is also stressed, for, in the competitive field of trade promotion, this is the prime requisite of the successful Trade Commissioner.

## Personnel

At the end of 1957, officer strength of the Trade Commissioner Service totalled 127, distributed in Canada and amongst the fifty-eight overseas offices. Of this total, nine officers were assigned to headquarters; one was in charge of the regional office, Vancouver; four were on loan to other Branches of the Department in Ottawa; ten were Assistant Trade Commissioners in training in Ottawa; and 103 were abroad.

During the year, three senior officers retired, and two juniors resigned. Mr. Paul Sykes retired after thirty-one years in the Trade Commissioner Service, having been posted in Auckland, Hong Kong, Dairen, Tientsin, Hamburg, Calcutta, Bombay, Singapore, Colombo, Kobe and Ottawa; Mr. Frederick H. Palmer retired as Consul General in Chicago, after a career of thirty-four years during which he had been stationed at New York, Rotterdam, The Hague, Oslo, Bristol, Melbourne, Stockholm and Manila; and Mr. James P. Manion, who had joined in 1931 and served successively at Tokyo, New York, Rome, Paris and Ottawa, retired from this last posting.

## PART III

### Appendix "A"

#### Distribution of Departmental Staff

As at December 31, 1957

	1955	1956	1957
Administration .....	157	152	158
Agriculture and Fisheries Branch .....	16	21	21
Canadian Government Exhibition Commission .....	67	65	86
Commodities Branch:			
Commodities .....	54	62	67
Transportation and Trade Services .....	10	10	10
Export & Import Permit Section .....	17	16	16
Directories Section .....	10	12	12
British West Indies Section .....	11	9	9
Economics Branch .....	45	40	35
Energy Studies Branch .....	—	—	5
Industrial Development Branch .....	15	16	20
Information Branch .....	13	15	15
International Economic and Technical Co-operation Division .....	27	33	39
International Trade Relations Branch .....	26	27	32
Standards Branch:			
Administration .....	20	20	21
Electricity and Gas Inspection Services .....	172	181	180
Precious Metals Marking Services .....	5	5	5
Standards Laboratory .....	14	21	24
Weights and Measures Inspection Services .....	133	141	144
Trade Commissioner Service .....	420	441	468
Totals: .....	1,232	1,287	1,367
The above figures do not include the following:			
Board of Grain Commissioners .....	900	928	935
Canadian Government Elevators .....	193	222	211
Dominion Bureau of Statistics .....	1,398	1,450	1,574
Totals: .....	3,723	3,887	4,087



## Appendix "B"

### Department of Trade and Commerce Summary of Expenditure and Revenue Year Ended March 31, 1957

#### I. Expenditures

a. Ordinary .....	\$23,404,725	
b. Special .....	31,984,732	
	<hr/>	
c. Total .....		\$55,389,457

#### II. Revenues

a. Ordinary .....	\$ 8,432,622	
b. Special .....	1,358,365	
	<hr/>	
c. Total .....		\$ 9,790,987

#### III. Debits or Credits

a. Net Debit (Ordinary) .....	\$14,972,103	
b. Net Debit (Special) .....	30,626,367	
	<hr/>	
c. Total Net Debit .....		\$45,598,470

### Department of Trade and Commerce Statement of Expenditure

For the Fiscal Years 1954-55 to 1956-57

	1954-55	1955-56	1956-57
Minister's Salary and Motor Car Allowance....	17,000	17,000	17,000
General Administration			
Departmental Administration.....	602,737	607,865	629,872
Commodities Branch.....	624,493	612,053	707,290
Trade Commissioner Service			
Administration .....	2,550,076	2,583,950	2,875,604
Acquisition or Improvement of Buildings, Land, Equipment and Furnishings.....	—	56,783	33,109
Trade Information.....	138,808	163,149	184,605
Economics Branch.....	199,632	209,678	215,902
International Trade Relations Branch.....	130,632	133,066	141,519
Exhibitions			
Exhibitions Generally.....	269,372	284,240	410,347
Canadian International Trade Fair 1954.....	507,021	—	—
Canadian International Trade Fair 1955.....	264,791	496,296*	—
Canadian International Trade Fair "Wind-Up" .....	—	59,623*	—
Canadian Participation in the Brussels Uni- versal and International Exhibition 1958....	—	36,796	378,821
Standards Branch			
Administration .....	181,098	187,792	222,961
Electricity and Gas Inspection Services .....	691,031	736,261	834,573
Weights and Measures Inspection Services ...	726,001	763,864	849,102

Dominion Bureau of Statistics	1954-55	1955-56	1956-57
Administration .....	192,889	226,800	180,881
Statistics .....	4,840,810	5,120,230	5,801,820
Census .....	502,148	698,504	4,068,484
Canada Grain Act			
Board of Grain Commissioners			
Salaries of Commissioners .....	—	42,000	45,474
Administration .....	170,294	144,174	148,925
Operation and Maintenance .....	3,381,801	3,472,484	3,935,237
Canadian Government Elevators			
Operation and Maintenance .....	1,161,369	1,178,587	1,351,039
Construction or Acquisition of Buildings, Works, Land and Equipment .....	234,508	210,893	372,160
Gratuities to Families or Deceased Employees	4,707	510	—
	<hr/> 17,391,218	<hr/> 18,042,598	<hr/> 23,404,725

#### SPECIAL

International Economic and Technical Co- operation Division .....	102,446	133,665	178,606
Pension to Julio Moreira .....	1,170	788	474
Temporary Wheat Reserve Act			
Payment of carrying costs of Temporary Wheat Reserves owned by Canadian Wheat Board .....	—	18,891,712	31,805,652
	<hr/> 103,616	<hr/> 19,026,165	<hr/> 31,984,732

\* Gross cost of 1955 Canadian International Trade Fair including wind-up expenses totalled \$555,919, to which was credited Revenue received from the operations of the Fair amounting to \$523,092 leaving a net cost of \$32,827. This latter figure will appear in Public Accounts as the cost of the 1955 Trade Fair.

## Department of Trade and Commerce

### Statement of Revenue

#### For the Fiscal Years 1954-55 to 1956-57

	1954-55	1955-56	1956-57
Canada Grain Act .....	2,453,226	2,272,754	2,960,885
Canadian Government Elevators .....	1,775,874	1,741,874	2,096,634
Weights and Measures Inspection Services .....	670,147	710,168	752,143
Electricity and Gas Inspection Services .....	857,630	909,209	933,021
Electricity and Fluid Exportation Act .....	947,016	1,277,928	1,582,495
Exhibitions .....	555,388	2,686	2,674
Eldorado Mining and Refining Ltd. (Dividend on 70,500 shares) .....	—	2,467,500	—
Miscellaneous .....	384,861	193,170	1,463,135
	<hr/> 7,644,142	<hr/> 9,575,289	<hr/> 9,790,987

NOTE: The following items are included in the 1956-57 Miscellaneous total:

- |  |         |
|--|---------|
| 1. Interest received on the loan to U.S.S.R.                   | 26,977  |
| 2. Northern Ontario Pipe Line Crown Corporation                | 881,775 |
| 3. Export Credits Ins. Corp., excess of premiums over expenses | 449,613 |

## Appendix "C"

### Major Projects Completed by the Canadian Government Exhibition Commission in 1957

Institute of American Poultry Industries, Fact Finding Conference, Kansas City, Mo.  
February 15-17, 1957.....Registered delegates totalled 3,333

A twenty-foot display sponsored by the Department of Agriculture, portrayed the inspection, grading and packing of Canadian poultry and eggs.

Daily Mail Ideal Home Exhibition, London, England.  
March, 1957.

The Department of Trade and Commerce cooperated with the Canadian Lumber Manufacturers Association by sharing the cost of the building of a typical Canadian house of Canadian woods in this Exhibition.

Royal Netherlands Industries Fair, Utrecht, Netherlands.  
April 2-11, 1957.....Attendance: 150,000

Sponsored by the Department of Trade and Commerce, a display occupying the same location as in 1956—1,200 square feet on the first floor of the Juliana Hall—featured consumer and hard goods from twenty-one Canadian firms.

U. S. World Trade Fair, New York, N.Y.  
April 14-27, 1957.....Attendance: 800,000

A trade information exhibit, occupied 930 square feet with the theme "Canada for Quality". Within the regulations of the Fair, only token products were displayed illustrating quality and these were supplied by fourteen Canadian firms.

Brussels International Trade Fair, Brussels, Belgium.  
April 27—May 12, 1957.....Attendance: 900,000

Sponsored by the Department of Trade and Commerce, occupying approximately 1,200 square feet inside the main entrance of Building 6, this display featured consumer and hard (marine) goods and canned fish from eighteen Canadian firms.

German Industries Fair, Hannover, Germany.  
April 28—May 7, 1957.....Attendance: 1,500,000

Sponsored by the Department of Trade and Commerce, this display occupied 1,075 square feet of space in Hall 6E which is operated within the framework of the Fair by the German Chemical Association. Eleven Canadian firms producing chemicals and allied products participated, including Atomic Energy of Canada, Limited, with a Gamma Radiography Machine.

National Winter Sports Show, Hotel Sheratin-McAlpine, New York, U.S.A.  
May 12-15, 1957.

Sponsored by the Department of Trade and Commerce, a show of Canadian Winter Sports Clothing and Sports Equipment occupied four of the seventy-four rooms allocated to the Sports Show. Twenty-six Canadian firms were represented.

National Conference of Social Work, Philadelphia, Pa.  
May 19-24, 1957.....Total registrations approx. 6,500

Sponsored by the Department of National Health and Welfare, a twenty foot exhibit was designed, constructed and installed by the Exhibition Commission at this Conference, portraying Canada's welfare program.

Poznan International Trade Fair, Poznan, Poland.  
June 9-23, 1957.....Attendance: 900,000

Sponsored by the Department of External Affairs, this exhibit occupied a 900 square foot pavilion. A Beam Therapy Unit, consumer goods from five Canadian firms, and a graphic story on Canada and its people comprised the exhibit.

The Chicagoland Fair, Chicago, Illinois.  
June 28th—July 14, 1957.....Attendance: 613,000



Sponsored by the Department of Trade and Commerce, this exhibit occupied 1,000 square feet of space at Navy Pier. Forest, mineral, food and consumer products were shown, representative of twenty-nine Canadian firms.

International Building Exhibition, Berlin, Germany.

July 6—September 29, 1957.....Attendance: 923,000

This Exhibition was intended to bring to Western Berlin new techniques in building and in community planning as an aid to the rehabilitation of the bombed-out Hanseatic area. Sponsored by the Department of External Affairs, the Canadian exhibit occupied a 2,400 square foot pavilion, and using a large model of the Don Mills Development with coloured transparencies of typical Canadian homes and buildings, portrayed Canadian community development.

11th Triennali di Milano, Milan, Italy.

July 27—November 4, 1957.....Attendance: 300,000

This exhibit, sponsored by the Industrial Design Division of the National Gallery of Canada, occupied approximately 650 square feet. Design Award items from twenty-three Canadian firms were displayed.

Pacific National Exhibition, Vancouver, B.C.

August 21—September 2, 1957.....Attendance: 820,000

In cooperation with the Pacific Coast Tri-Service Committee under the direction of Department of National Defence Headquarters Armed Forces Exhibitions Committee, an exhibit representative of the three armed services was installed at the Armed Forces site in the interests of recruiting. Spot-check attendance revealed 1,200 to 3,100 persons visiting the Tri-Services exhibit per hour.

Canadian National Exhibition, Toronto, Ontario.

August 23—September 7, 1957.....Attendance: 2,665,000

Produced in cooperation with the Department of National Defence Headquarters Armed Forces Exhibitions Committee, the Commission was responsible for design, construction and installation of the Armed Forces exhibit at the C.N.E., Toronto. Produced in the interests of recruiting, the estimated attendance at the Armed Forces site was 500,000.

Quebec Provincial Exhibition, Quebec City, P.Q.

August 30—September 7, 1957.....Attendance: 382,000

In cooperation with the Quebec Command Tri-Service Committee and under direction of Department of National Defence Headquarters Armed Forces Exhibition Committee, the Commission designed, constructed and installed an Armed Forces exhibit in the interests of recruiting.

Vienna Fall Fair, Vienna, Austria.

September 8-15, 1957.....Attendance: 650,000

Jointly sponsored by the Departments of Trade and Commerce, External Affairs and Citizenship and Immigration, this exhibit occupied 2,800 square feet of space, combining a trade section and an informational section. This was our first Trade Exhibit in Austria and the products of seventeen firms were shown in the trade section. In the informational section a cinema with a seating capacity of 90 showed Canadian films continuously. A graphic display gave additional information on Canadian life.

German Industrial Exhibition, Berlin, Germany.

September 14-29, 1957.....Attendance: 448,000

Sponsored by the Departments of External Affairs and Citizenship and Immigration, this display occupied 1,000 square feet of space and took the form of the interior of a Canadian home, equipped in detail with Canadian furniture and fittings supplied on loan by the Robert Simpson Company Ltd. and the T. Eaton Company Ltd. This exhibit complemented the Canadian exhibit in the International Building Exhibition.

Shoe and Leather Fair, London, England.

September 30—October 4, 1957.....Attendance: 30,000

This exhibit, sponsored by the Department of Trade and Commerce, displayed the products of ten Canadian leather companies.

Los Angeles County Museum Exhibit, Los Angeles, California.  
October 22, 1957—June, 1958.

Sponsored by the Department of External Affairs and at the invitation of the Museum, an exhibit occupying 2,100 square feet of space, entitled "Canada Visits Los Angeles", was installed. This exhibit covered a broad story on Canada, her history, geography, government, culture, trade, etc., and included a collection of paintings owned by Mr. C. S. Band, and supplied through the National Gallery.

American Public Health Association Convention, Cleveland, Ohio.

November 11-15, 1957.....Registration approx.: 4,000

Sponsored by the Department of National Health and Welfare, a twenty-foot exhibit illustrating Canada's care of the nation's health was designed, constructed and installed at this Convention.

Building Trades Exhibition, London, England.

November 13-27, 1957.

This exhibit, sponsored by the Department of Trade and Commerce, occupied 1,176 square feet of space and displayed a wide variety of Canadian lumber supplied by Canadian Lumber Associations.

The Canadian Government Showroom, Rockefeller Centre, New York, N.Y.

Sponsored by the Department of Trade and Commerce, the following products were shown in the Showroom during 1957:

Canadian Rubber Products	Jan. 16-Feb. 22	3 exhibitors
Canadian Wallpaper	Mar. 6-Apr. 12	Canadian Wallpaper Mfgs. Assoc. Ltd.
Canadian Church Furnishings	Apr. 24-June 14	2 exhibitors
Canadian Design Award Show	June 26-Aug. 30	23 exhibitors
Canadian Fish & Fish Products	Sept. 11-Oct. 31	40 exhibitors.

The Showroom was closed November 1st. It had been in operation six years.

#### National Defence Displays—

In addition to miscellaneous work carried out by the Department of National Defence, some ten display units were designed and constructed for the Navy, Army and Air Force for display at various Conventions and Exhibitions throughout Canada.

#### Atomic Energy of Canada, Limited—

In addition to miscellaneous projects, six display units were produced and shown at the following events:

Canadian Association of Radiologists, Montreal  
January 13-17, 1957.

First Annual Scientific Convention, Montreal  
March 4-6, 1957.

Atomic Exposition, Philadelphia  
March 11-15, 1957.

American Roentgen Ray Society Meeting, Washington  
October 1-4, 1957.

Trade Fair of Atomic Energy, New York  
October 28-31, 1957.

Radiological Society of North America, Chicago  
November 17-22, 1957.

#### Canadian Government Travel Bureau—

Four seasonal window displays were produced and installed in the Bureau's New York office and two in the Bureau's Chicago office.

## Appendix "D"

### Tariff Arrangements in Force as at December 31, 1957

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are as follows: Australia, British West Indies, New Zealand, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with Ceylon, the Federation of Malaya and the Federation of Rhodesia and Nyasaland, and accords preferences to Ghana, India and Pakistan. These agreements have been modified and supplemented by GATT.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 37 contracting parties to the agreement. Four rounds of major multilateral tariff negotiations have been held under GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1956. The GATT arrangements provide for a firm binding of the negotiated concessions for a further three year period as from January 1, 1958.

Canada already had most-favoured-nation trade agreements with many countries, including most GATT members, prior to the effective date of the General Agreement. These agreements with individual countries continue in force in conjunction with the General Agreement. As an exception, however, the Canada-U.S.A. Trade Agreement was suspended for as long as both countries should continue to be contracting parties to GATT.

Further particulars regarding tariff agreements and arrangements in force on December 31, 1957 may be summarized as follows:

#### 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed July 8, 1931; in force Aug. 3, 1931. GATT effective Jan. 1, 1948.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.



Country	Agreement	Principal Terms
British West Indies (Bahamas, Barbados, Jamaica, Leeward and Windward Islands, Trinidad and Tobago), Bermuda, British Guiana and British Honduras.	Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.  The British West Indies (except Jamaica), Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....		Canada and Ceylon exchange preferential tariff treatment.  GATT effective July 29, 1948
Ghana .....		Canada accords British preferential treatment to Ghana.  GATT effective Oct. 18, 1957
India .....		Exchange of most-favoured-nation treatment.  Canada accords British preferential treatment to India.  GATT effective July 8, 1948
New Zealand .....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.	Exchange of most-favoured-nation treatment.  The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.  GATT effective July 26, 1948
Federation of Malaya.....		Canada and Federation of Malaya exchange preferential tariff treatment.  GATT effective Oct. 24, 1957
Pakistan .....		Canada accords British preferential treatment to Pakistan.  GATT effective July 30, 1948
Federation of Rhodesia and Nyasaland .....	Northern Rhodesia and Nyasaland are parties to Agreement of 1937 between Canada and United Kingdom; an Agreement of 1932 between Canada and Southern Rhodesia expired in 1938, but the tariff treatment provided therein continues to be reciprocally accorded.	Exchange of most-favoured-nation treatment.  Canada exchanges preferential tariffs with Northern and Southern Rhodesia. Canada accords Nyasaland the British preferential rates.

Country	Agreement	Principal Terms
	GATT effective in Southern Rhodesia May 19, 1948; extended to whole Federation, Oct. 29, 1954.	
Union of South Africa....	Trade Agreement signed Aug. 20, 1932; in force Oct. 13, 1932.	Agreement includes schedules of tariff preferences granted by each country. May be terminated on six months' notice.
	Exchange of notes Aug. 2-31, 1935; effective retroactive from July 1, 1935.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective June 14, 1948.	
United Kingdom .....	Trade Agreement signed Feb. 23, 1937; in force Sept. 1, 1937. Modified by an exchange of letters of Nov. 16, 1938, and an exchange of notes Oct. 30, 1947.	Various concessions by both countries including exchange of preferential tariff rates (some minor reservations by Canada). Extends to Colonial Empire.
	GATT effective Jan. 1, 1948.	

## 2. Arrangements with Non-Commonwealth Countries

Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg ....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union) .....	See Belgium-Luxembourg and Netherlands.	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective July 31, 1948.	
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Cambodia .....	Franco-Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943.  GATT effective Mar. 16, 1948.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
China .....	Modus vivendi signed Sept. 26, 1946.  China withdrew from GATT on May 5, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Colombia .....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938.  A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment (excluding preferences accorded by Cuba to the United States).
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force provisionally Mar. 15, 1940, and definitively Jan. 22, 1941.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on six months' notice.



Country	Agreement	Principal Terms
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt .....	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948.  GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories.....	Trade Agreement signed May 12, 1933; in force June 10, 1933.  Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935.  GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947.  GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.

Country	Agreement	Principal Terms
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.
Israel .....	Canada-United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	GATT effective Jan. 1, 1950.	
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
	GATT effective Sept. 10, 1955.	
Laos .....	Franco-Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
	Lebanon withdrew from GATT Mar. 1, 1951.	
Liberia .....	Special arrangement by Order in Council of Mar. 1, 1955.	Canada grants most-favoured-nation tariff rates.
	Liberia withdrew from GATT June 13, 1953.	

Country	Agreement	Principal Terms
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date. Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
	GATT effective May 28, 1950.	
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
	GATT effective July 10, 1948.	
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment but without contractual obligation.

Country	Agreement	Principal Terms
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.
Portugal, Portuguese adjacent islands and Portuguese overseas provinces.....	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Supplements and amends United-Kingdom-Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.
Sweden .....	United Kingdom-Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
	GATT effective May 1, 1950.	
Switzerland .....	United Kingdom-Switzerland treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by the Dominions on one year's notice.
Syria .....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
	Syria withdrew from GATT Aug. 6, 1951.	
Tunisia .....	Franco-Canadian Trade Agreement of 1933 applied to Tunisia (Tunisia is in customs union with France).	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.



Country	Agreement	Principal Terms
Turkey .....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
GATT effective Oct. 17, 1951.		
Union of Soviet Socialist Republics ....	Trade Agreement signed Feb. 29, 1956. Ratifications exchanged May 26, 1956.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase determined quantity of Canadian wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.
United States.....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT.	Most-favoured-nation treatment exchanged.
GATT effective Jan. 1, 1948.		
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953.	Most-favoured-nation treatment. May be terminated on six months' notice.
GATT effective Dec. 16, 1953.		
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950, renewed each year.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco-Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom-Serb-Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

# Appendix "E"

## Standards Branch Statement of Revenue and Expenditure Electricity Inspection Act and Gas Inspection Act (Fiscal Year ended March 31, 1957)

District	Electricity		Gas	
	Total Expenses	Total Revenue	Total Expenses	Total Revenue
Belleville .....	\$22,318.60	\$19,199.55	\$ 1,039.49	\$ 871.30
Calgary .....	15,908.46	20,382.90	8,767.56	11,826.56
Charlottetown .....	4,523.88	3,161.20	—	—
Edmonton .....	18,334.69	22,211.40	10,903.34	13,572.60
Fort William .....	12,020.65	8,172.50	—	—
Halifax .....	23,923.44	25,375.05	1,101.24	7.80
Hamilton .....	45,063.51	73,045.05	11,183.35	12,524.60
Kamloops .....	8,848.93	11,304.35	972.20	1,042.80
London .....	50,514.59	67,639.85	21,122.52	18,459.20
Montreal .....	83,535.96	129,695.15	34,155.75	31,536.00
Northwest Terr. (Edmonton) .....	—	412.60	—	—
Ottawa .....	32,232.25	37,944.10	1,484.50	301.40
Quebec .....	31,460.32	44,168.05	1,370.10	701.20
Regina .....	20,605.47	31,942.80	5,900.22	5,315.20
Saint John, N.B. ....	25,257.88	18,992.45	1,124.23	451.80
St. John's, Nfld. ....	13,000.36	6,461.85	—	—
Sudbury .....	27,470.74	25,823.50	1,247.84	302.30
Toronto .....	107,798.10	114,996.00	30,755.80	26,042.80
Trois-Rivières .....	24,253.47	34,588.75	1,198.50	77.30
Vancouver .....	42,758.20	41,783.70	10,926.55	10,217.40
Victoria .....	11,447.33	11,994.45	1,755.05	1,621.40
Winnipeg .....	36,153.02	44,574.80	6,596.57	2,361.00
Yukon (Vancouver) ....	201.60	184.90	—	—
General .....	20,648.01	—	4,113.05	—
Laboratory—Electricity fees .....		783.95		
Refund of Previous Year's expenditures...		21.50		
TOTALS .....	\$678,279.46	\$794,860.40	\$155,717.86	\$137,232.60
GRAND TOTALS FOR E & G .....			Expenditure—\$833,997.32	Revenue —\$932,093.00

## Appendix "F"

### Standards Branch Statement of Revenue and Expenditure Weights and Measures Act (Fiscal Year ended March 31, 1957)

District	Total Expenses	Total Revenue
Belleville .....	\$ 31,551.93	\$ 24,986.91
Calgary .....	33,077.54	32,550.65
Charlottetown .....	5,387.60	2,953.05
Edmonton .....	47,738.13	48,758.33
Fort William .....	12,724.63	11,952.30
Halifax .....	24,436.09	22,826.34
Hamilton .....	44,588.35	40,654.23
London .....	45,678.79	44,993.04
Montreal .....	91,059.10	90,603.45
Northwest Terr. (Edmonton).....	270.39	328.95
Ottawa .....	33,068.44	23,073.25
Quebec .....	43,425.19	36,609.14
Regina .....	38,249.04	41,743.70
Saint John, N.B. ....	28,990.99	19,331.19
St. John's, Nfld. ....	31,685.20	9,485.49
Saskatoon .....	43,829.62	39,077.43
Sherbrooke .....	23,277.29	22,912.89
Sudbury .....	26,984.64	15,423.50
Trois-Rivières .....	24,364.00	17,062.80
Toronto .....	79,496.90	104,051.30
Vancouver .....	61,340.15	48,691.68
Winnipeg .....	47,538.44	42,335.81
Yukon (R.C.M.P.) .....	1,786.99	1,755.30
General—including printing, stationery, office equipment, departmental truck, etc.....	24,836.86	—
Laboratory—calibration of weights and measures.....	—	4,171.45
Post Office Dept. (Salaries and Expenses included in district totals) .....	—	5,000.00
Short Weight inspection.....	3,715.99	—
Fines and Penalties.....	—	809.20
Refund, previous year's expenditures.....	—	52.43
Miscellaneous .....	—	1.80
<b>TOTALS</b> .....	<b>\$849,102.29</b>	<b>\$752,195.61</b>

## Appendix "G"

### Foreign Trade Service Abroad

As at 31 December 1957

Territory	Officer	City Address*
<b>Argentina</b>	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES
Argentina	Agricultural Secretary	
<b>Australia</b> (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada	7th Floor, Berger House, 82 Elizabeth Street, SYDNEY
	H. S. Hay, Assistant Commercial Secretary	
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major, Commercial Counsellor for Canada	83 William Street MELBOURNE
<b>Austria</b> Czechoslovakia, Hungary	R. K. Thomson, Commercial Secretary for Canada	Opernringhof Opernring 1 VIENNA I
<b>Belgian Congo</b> Angola, French Equatorial Africa	G. F. Mintenko Acting Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1
<b>Belgium</b> Luxembourg	L. H. Ausman, Commercial Counsellor	Canadian Embassy, 35 rue de la Science, BRUSSELS
	K. G. Ramsay, Commercial Secretary	
	J. R. Roy, Assistant Commercial Secretary	
<b>Brazil</b>	V. L. Chapin, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO
	C. M. Kerr, Assistant Commercial Secretary	
Brazil	C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO
	Vice Consul and Assistant Trade Commissioner	
<b>Ceylon</b>	W. R. Van, Commercial Secretary	Office of the High Commissioner for Canada, 6 Gregory's Road, Cinnamon Gardens, COLOMBO

\* Mail, cable, and office telephone addresses of all these officers will be found in "Foreign Trade", January 4, 1958, (pages 29-33), and periodically thereafter.



Territory	Officer	City Address*
<b>Chile</b>	H. M. Maddick, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO
<b>Colombia</b> Ecuador	P. A. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA
<b>Cuba</b>	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Ambar Motors, Avenida Menocal 16, HAVANA
<b>Denmark</b> Greenland, Poland	C. F. Wilson, Commercial Counsellor	Canadian Embassy, 4 Trondhjems Plads, COPENHAGEN
<b>Dominican Republic</b> Puerto Rico	W. B. McCullough, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO
<b>Egypt</b> Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	J. J. B. Mountain, Assistant Commercial Secretary (Fisheries)	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO
<b>France</b> Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith, Commercial Counsellor for Canada	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e
	A. L. Neal, Attaché	
	J. H. Bailey, Commercial Secretary	
<b>Germany</b> Federal Republic	J. A. Stiles, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, BONN
	S. G. Barkley, Commercial Secretary	
	M. B. Blackwood, Commercial Secretary	
<b>Germany</b>	E. H. Maguire, Consul	Canadian Consulate, 69 Ferdinandstrasse, HAMBURG
	J. M. T. Thomas, Vice Consul	
<b>Ghana</b> Gambia, Nigeria, Sierra Leone	M. B. Bursey, Commercial Counsellor	Office of the High Commissioner for Canada, Ambassador Hotel ACCRA

<b>Territory</b>	<b>Officer</b>	<b>City Address*</b>
<b>Greece</b> Israel, Turkey	A. B. Brodie, Commercial Secretary  L. D. R. Dyke, Assistant Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS
<b>Guatemala</b> Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson, Canadian Government Trade Commissioner  R. M. Dawson, Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.
<b>**Haiti</b>	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert St. Louis de Turgeau, PORT AU PRINCE
<b>Hong Kong</b> Cambodia, China, Laos, Vietnam, Macao, Taiwan	C. M. Forsyth-Smith, Canadian Government Trade Commissioner  W. M. Miner, Assistant Trade Commissioner T. M. Pope, Assistant Trade Commissioner (attached for temporary duty)	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG
<b>India</b>	B. A. Macdonald, Commercial Counsellor  J. H. Nelson, Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road, NEW DELHI
<b>India</b> Goa	T. F. Harris, Canadian Government Trade Commissioner W. J. Collett, Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY
<b>Indonesia</b>	J. E. P. Lancaster, Commercial Secretary	Canadian Embassy, Djl. Budi Kemuliaan No 6, DJAKARTA
<b>Ireland</b>	H. A. Gilbert, Commercial Secretary for Canada	66 Upper O'Connell St., DUBLIN
<b>Italy</b> Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor  K. F. Osmond, Commercial Secretary (Fisheries) J. G. Ireland, Assistant Commercial Secretary	Canadian Embassy, Via G. B. De Rossi 27, ROME
<b>Jamaica</b> Bahamas, British Honduras	H. E. Campbell, Canadian Government Trade Commissioner	Barclays Bank Building, King Street, KINGSTON

\*\* No Foreign Trade Officer at this post.

Territory	Officer	City Address*
<b>Japan</b> South Korea	M. S. Strong, Assistant Trade Commissioner	Canadian Embassy, Tokyo
<b>Lebanon</b> Iraq, Jordan, Persian Gulf area, Syria	J. L. Mutter, Commercial Counsellor  W. G. Pybus, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT
<b>Mexico</b>	C. J. Van Tighem, Commercial Counsellor  D. B. Laughton, Commercial Secretary  A. A. Lomas, Assistant Commercial Secretary	Canadian Embassy, Melchor Ocampo 463, 7th Floor, MEXICO 5, D.F.
<b>Netherlands</b>	B. C. Butler, Commercial Counsellor  W. R. Hickman, Commercial Secretary  B. Horth, Assistant Commercial Secretary	Canadian Embassy, Sophialaan 5-7, THE HAGUE
<b>New Zealand</b> Fiji, French Oceania, Western Samoa	L. S. Glass, Commercial Counsellor  J. MacNaught, Assistant Commercial Secretary	Office of the High Commissioner for Canada Government Life Insurance Building WELLINGTON
<b>Norway</b> Iceland	J. C. Depocas, Commercial Counsellor	Canadian Embassy, Fridtjof Nansens Plass 5, OSLO
<b>Pakistan</b> Afghanistan, Iran	H. J. Horne, Commercial Secretary  J. D. Blackwood, Assistant Commercial Secretary	Office of the High Commissioner for Canada Hotel Metropole, Victoria Rd., KARACHI
<b>Peru</b> Bolivia	D. H. Cheney, Commercial Secretary  L. D. Burke, Assistant Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA
<b>Philippines</b>	H. L. E. Priestman, Consul General and Trade Commissioner  W. J. Jenkins, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA

Territory	Officer	City Address*
<b>Portugal</b> Azores, Cape Verde Islands, Madeira, Portuguese Guinea	Richard Grew, Commercial Counsellor	Canadian Embassy, Rua Marques de Fronteira, No. 8—4° D° LISBON
<b>Rhodesia and Nyasaland</b> Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Offices 110-113, Central Africa House, Corner First St./Gordon Ave. SALISBURY
<b>Singapore</b> Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson, Canadian Government Trade Commissioner  W. G. Huxtable Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building, Robinson Road and Telegraph St., SINGAPORE
<b>South Africa</b> (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner  I. V. Macdonald, Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG
<b>South Africa</b> (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House, The Foreshore, CAPE TOWN
<b>Spain</b> Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Espana, Avenida de Jose Antonio 88, MADRID
<b>Sweden</b> Finland	A. P. Bissonnet, Commercial Secretary	Canadian Embassy, Strandvagen, 7-C, STOCKHOLM
<b>Switzerland</b>	B. I. Rankin, Commercial Counsellor  N. W. Boyd, Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88 BERNE
<b>Trinidad</b> Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake, Canadian Government Trade Commissioner  P. T. Eastham, Assistant Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN
<b>United Kingdom</b> (South of England, East Anglia, Scotland)	H. L. Brown, Commercial Counsellor  G. H. Rochester, Commercial Counsellor (Timber)  D. A. B. Marshall, Agricultural Counsellor  W. Gibson-Smith, Commercial Secretary  S. G. Tregaskes, Commercial Secretary	Office of the High Commissioner, for Canada Canada House, Trafalgar Square, LONDON, S.W. 1



<b>Territory</b>	<b>Officer</b>	<b>City Address*</b>
United Kingdom (Midlands, North England, Wales)	A. W. Evans, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL
United Kingdom (Northern Ireland)	H. A. Gilbert, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST
<b>United States</b> Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Minister (Commercial)	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON 6, D.C.
	Dr. W. C. Hopper, Agricultural Counsellor	
	Wm. Jones, Commercial Secretary	
	W. A. Stewart, Assistant Commercial Secretary	
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Deputy Consul General (Commercial)	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY 20
	C. R. Gallow, Consul and Trade Commissioner	
	H. E. Lemieux, Consul and Trade Commissioner	
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick, Consul and Trade Commissioner	Canadian Consulate General, 111 North Wabash Avenue, CHICAGO
	G. F. J. Osbaldeston, Vice Consul and Assistant Trade Commissioner	
	Vice Consul and Assistant Trade Commissioner	
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner	Canadian Consulate, 1139 Penobscot Building, DETROIT 26
	J. R. Midwinter, Vice Consul and Assistant Trade Commissioner	
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	T. M. Burns, Consul and Trade Commissioner	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14

Territory	Officer	City Address*
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart, NEW ORLEANS 12
**United States California (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4
**United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way, SEATTLE 1, Washington
Uruguay Paraguay Falkland Islands	C. B. Birkett, Commercial Counsellor	Canadian Embassy, No. 1409 Avenida Agraciada, Piso 7° MONTEVIDEO
Venezuela Netherlands Antilles	R. E. Gravel, Commercial Secretary  W. G. Brett, Assistant Commercial Secretary  R. D. Sirrs, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Avenida Urdaneta, Puente Urapal, Candelaria, CARACAS

\*\*No Foreign Trade Officer at this post.

## Appendix "H"

### Head Office Directory Department of Trade and Commerce

As at 31 December 1957

*This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, Central 2-8211, and ask for the local only.)*

#### No. 1 Building, 375 Wellington Street\*

	Gov.	Local
Minister: The Honourable Gordon Churchill .....		2-0336
Executive Assistant: R. B. Hatfield .....		2-0336
Private Secretary: Mrs. Rita Cook .....		2-0366
Deputy Minister: Mitchell W. Sharp .....	2-2888,	2-5838
Executive Assistant: A. W. A. Lane .....		2-2380
Economic Adviser: O. J. Firestone .....		2-4176
Technical Adviser: G. D. Mallory .....		2-3819
Assistant Deputy Minister: J. H. English .....		2-2530
Assistant Deputy Minister: C. M. Isbister .....		2-4042

#### Administration Branch

Comptroller-Secretary: Finlay Sim .....	2-2262
Administrative Assistant: Miss M. L. E. Jones .....	6-7411
Financial Assistant: S. B. Kayes .....	2-4312

#### Personnel Division

Personnel Officer: L. J. Rodger .....	2-5430
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#### General Records

Supervisor: C. Drolet .....	2-4980
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#### Equipment and Supplies

Supervisor: E. S. Brown .....	2-5011
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#### Agriculture and Fisheries Branch

Director: G. R. Paterson .....	2-4301
Assistant Director: S. C. Hudson .....	2-5830

#### Fisheries Division

Chief: T. R. Kinsella .....	6-7385
J. M. Bellemare .....	6-6350

#### Food and Agriculture Division

Chief: G. E. Woollam .....	2-0914
Assistant Chief: K. L. Melvin .....	2-3172
Furs: D. H. Burns .....	2-0914
Grocery and Confectionery Products: E. B. Paget .....	2-4161
Livestock, Animal Products, Dairy and Poultry Products, Tobacco: K. L. Melvin .....	2-3172
Plant Products, Vegetable Oils: W. John O'Connor .....	6-7523

#### Grain Division

Chief: W. Van Vliet .....	2-5830, 2-5648
Assistant Chief (Administration): R. M. Esdale .....	2-5830, 2-5648
Co-ordinator Markets Development: W. F. Hillhouse .....	2-5648

\* Unless otherwise noted all offices of the Department are in No. 1 Building.

# Canadian Government Exhibition Commission, 479 Bank St.

Gov. Local

Director: Glen Bannerman .....	2-3558
Superintendent of Exhibits: R. L. Greene .....	2-3776
Chief, Design Section: T. C. Wood .....	2-3671
Assistant Chief, Design Section: G. E. Stranks .....	2-3682
Administrative Officer: A. D. Simmons .....	6-7818
Deputy Director Canadian Participation Brussels 1958: H. B. Scully....	6-6795

## Commodities Branch

Director: Denis Harvey .....	2-5417
Assistant Director: G. S. Hall .....	6-7163
Assistant Director (Export Promotion): R. V. N. Gordon .....	6-6519
Geo. Hazen (Trade Fairs) .....	6-8269

## Commodity Divisions

### Machinery and Metals Division

Chief: E. C. Thorne .....	2-4082
Assistant: W. L. Power .....	6-7546
Assistant Chief: J. M. Rochon .....	6-8422
Engineering Projects: R. A. Frigon .....	2-5207
Steel and Non-Ferrous Metals: J. M. Rochon .....	6-8422
Non-Metallic Minerals: R. P. Mulvihill .....	2-5823
Industrial Machinery: J. R. Johnson .....	6-7546
Electronic Equipment: D. L. Draper .....	6-6479
Transportation Equipment, Construction Machinery: G. W. Rahm .....	2-5159
Agricultural and Automotive Equipment, Aircraft: G. C. Clarke .....	2-3873
Miscellaneous Machinery .....	

### Forest Products Division

Chief: J. C. Dunn .....	2-0273
Lumber and Manufactured Wood Products: J. C. Dunn .....	2-0273
Logs and Lumber Products: E. J. White .....	2-4863
Pulp, Paper, Pulpwood: M. N. Murphy .....	6-6974
E. J. Ward .....	2-5127

### Chemicals Division

Chief: A. M. Tedford .....	2-5993
Oils, Fats, Miscellaneous Chemicals .....	2-5177
Pharmaceutical Products: G. A. Ferguson .....	6-6075
Petroleum, Organic Chemicals: T. V. Harquail .....	6-6075
Plastics, Heavy Chemicals: G. E. McCormack .....	6-7601

### Consumer Goods Division

Chief: D. G. W. Douglas .....	6-6197
Assistant Chief: A. C. Fairweather .....	6-7815
Textile Fibres and Products: G. R. Poley .....	2-3004
Wearing Apparel, Linens: E. G. Gerridzen .....	2-5378
R. M. Josephson .....	6-7956
Leather, Rubber and Plastic Products: F. T. Carten .....	2-0518
Recreational Supplies, Musical Instruments, Toys: P. G. Jones .....	2-4160
Handicrafts, Chinaware, Jewellery, Photographic Equipment: P. E. Jensen .....	2-5337
Business Equipment, Radio and Television, Scientific Instruments, Hospital Equipment: W. L. Herman .....	6-6958
Hardware, Plumbing and Heating Equipment: D. C. Meyers .....	6-6383
Consumer Durable Goods, Electrical Appliances: W. H. Grant .....	2-3209
Beverages: A. E. Fortington .....	2-5859
Records, Statistics, Office Services: Miss M. E. O'Connor .....	6-8760

## Transportation and Trade Services Division

Chief: .....	6-6236
Adviser: T. G. Hills .....	2-5680
Transportation and Communications Section: H. A. Hadskis .....	2-2737
Traffic: D. H. Munro .....	6-7835



## Export and Import Permit Section

Chief: J. G. MacKinnon .....	2-3640
Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, chemicals, textiles, rubber, leather products: S. C. Cooke .....	6-6976
Lumber, forest products: L. M. Lang .....	6-6991
Imports and Office Supervisor: L. M. Lang .....	6-6991
Directories Section: R. Bedard .....	6-6681
B.W.I. Trade Liberalization Plan and U.K. Token Import Scheme Section: G. L. Tighe .....	6-6905, 2-5670, 2-5680

## Economics Branch

Director: V. J. Macklin .....	2-5658
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## Energy Studies Branch

Director: D. M. Fraser .....	6-6208, 2-2742
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## Industrial Development Branch

Director: B. R. Hayden .....	6-7886
G. P. Bourne .....	2-5909
G. A. Cooper .....	2-4181
W. M. Hall .....	2-4143
J. H. O'Connell .....	2-4181
A. J. Wibe .....	6-6925

## Information Branch

Acting Director: T. R. G. Fletcher .....	2-2479, 6-6394
Assistant Director: J. Fergus Grant .....	2-2186
Editor, <i>Foreign Trade and Commerce Extérieure</i> : Miss O. Mary Hill .....	6-6588
Editorial and Art Services Division Chief: F. R. Hamilton .....	6-6435

International Economic and Technical Co-operation Division  
(Colombo Plan)

No. 4 Building, Lyon St.

Administrator: Nik Cavell .....	6-8495
Assistant Administrator: R. W. Rosenthal .....	6-8429
Capital Projects Chief: F. E. Pratt .....	2-0981
Technical Co-operation Service Chief: D. W. Bartlett .....	2-5542
Assistant Chief: J. T. Hobart .....	6-8662

## International Trade Relations Branch

Acting Director: M. Schwarzmann .....	2-2981, 2-2250
Acting Assistant Director: R. E. Latimer .....	2-2981
H. V. Jarrett .....	2-5642
Miss H. M. Spence .....	6-7696
General Relations J. R. Downs .....	6-7594
W. Lavoie .....	6-6531
United Kingdom Miss H. K. Potter .....	6-8469
F. R. Petrie .....	6-7594
Commonwealth R. B. Nickson .....	6-7594
E. J. McMeekin .....	6-8727
Miss M. V. McCormick .....	6-6531
J. W. Latimer .....	2-5642

	Gov. Local
United States and Latin America	
B. S. Shapiro .....	6-8469
A. M. Baldwin .....	6-8727
J. B. O'Neill .....	6-8727
R. A. Jenness .....	6-8727
Europe and Asia	
F. P. Weiser .....	2-5642
J. M. H. Davison .....	6-7696
Mrs. I. F. Budge .....	6-6531

### Standards Branch

West Block, Wellington St.

Director: R. W. MacLean .....	2-2132
Assistant Directors	
Electricity and Gas: E. F. Power .....	2-2956
Weights and Measures: C. S. Phillips .....	2-2000
Commodity Standards: O'Neill O'Higgins .....	6-6721
Precious Metals Marking and Enforcement: G. R. Lewis .....	6-7075

### Public Works Building, Holland Ave.

Supervisor, Standards Laboratory: W. J. S. Fraser .....	2-2575
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### Trade Commissioner Service

Assistant Deputy Minister: John H. English .....	2-2530, 2-0798
Assistant Director (Trade): .....	6-8286
Assistant Director (Personnel): G. F. G. Hughes .....	6-6800
Assistant Director (Administration): J. H. Stone .....	2-5669

#### Area Trade Officers

Asia and Middle East: W. D. Wallace .....	2-0436
Commonwealth: R. R. Parlour .....	2-2144
Europe: L. A. Campeau .....	2-2421
M. O. A. Krupka .....	2-2421
Latin America: A. G. Kniewasser .....	6-7641
United States: D. M. Holton .....	2-5176
Western Representative: P. V. McLane, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE) .....	Pacific 7161
Newfoundland Representative: Stott Bldg., St. John's, Newfoundland .....	2698

### Translation Branch

Chief: Emile Boucher .....	2-2760
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### Dominion Bureau of Statistics, Holland Ave.

Dominion Statistician: Walter E. Duffett .....	2-2529
Assistant Dominion Statistician: J. T. Marshall .....	6-7695
Assistant Dominion Statistician: S. A. Goldberg .....	2-5458
Senior Research Statistician: N. Keyfitz .....	2-3562
Consultant on Classification: N. L. McKellar .....	2-3437
Chief Administrative Officer: C. Scott .....	6-7368
Agricultural Division	
Director: C. V. Parker .....	2-4774
Census Division	
Director: O. A. Lemieux .....	2-2088
Education Division	
Director: E. F. Sheffield .....	2-5933
General Assignments Division	
Director: H. L. Allen .....	2-4052
Health and Welfare Division	
Director: F. F. Harris .....	6-6651
Industry and Merchandising Division	
Director: H. McLeod .....	2-2125

Information Services Division	Gov. Local
Director: C. C. Lingard .....	2-0418
International Trade Division	
Director: C. D. Blyth .....	6-8340
Labour and Prices Division	
Director: H. F. Greenway .....	6-7424
Mechanical Tabulation Division	
Director: W. I. Moore .....	6-8232
Public Finance and Transportation Division	
Director: G. A. Wagdin .....	2-5396
Research and Development Division	
Director: F. H. Leacy .....	2-3071
Special Surveys Division	
Director: A. B. McMorran .....	2-5570

### Export Credits Insurance Corporation

Birks Bldg., 107 Sparks St., P.O. Box 655

President and General Manager: H. T. Aitken .....	CE2-4828
Assistant General Manager: A. W. Thomas .....	CE2-4828
Secretary: T. Chase-Casgrain .....	CE2-4828
Economist: D. C. Taylor .....	CE2-4828
Underwriter: S. Garrett .....	CE2-4828
Credits Supervisor: C. A. Law .....	CE2-4828
Claims Supervisor: F. G. Reynolds .....	CE2-4828
Accountant: B. R. King .....	CE2-4828
<b>Montreal Branch:</b> 607 St. James St. West .....	UN6-1268
<b>Toronto Branch:</b> Rm. 1511, 55 York St. ....	EM4-5778

## Appendix "I"

### Directory of Boards, Crown Companies and Agencies

#### 1. Reporting to Parliament through the Minister of Trade and Commerce

*Board of Grain Commissioners—*

Chief Commissioner, R. W. Milner

*Canadian Wheat Board—*

Chief Commissioner, G. H. McIvor

*Dominion Bureau of Statistics—*

Dominion Statistician, W. E. Duffett

*Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

*Northern Ontario Pipe Line Crown Corporation—*

President, D. A. Golden

#### 2. Reporting to Parliament through the Minister of Trade and Commerce as Chairman of the Privy Council Committee on Scientific and Industrial Research

*Atomic Energy Control Board—*

President, C. J. Mackenzie

*Atomic Energy of Canada Limited—*

President, W. J. Bennett

*Canadian Patents and Development Limited—*

President, E. R. Birchard

*Eldorado Aviation Limited—*

President, W. J. Bennett

*Eldorado Mining and Refining Company Limited—*

President, W. J. Bennett

*National Research Council—*

President, E. W. R. Steacie

*Northern Transportation Company Limited—*

President, W. J. Bennett

#### 3. The activities of these organizations are described in their respective annual reports.







## DEPARTMENT OF TRADE AND COMMERCE

CHART OF ORGANIZATION: DECEMBER 1957.

MINISTER  
HON. GORDON CHURCHILLExecutive Assistant  
R. B. HatfieldPrivate Secretary  
Mrs. Rita Cook

## BOARDS, CROWN COMPANIES, AND AGENCIES,

Reporting to Parliament through the Minister of Trade and Commerce—  
 Atomic Energy Control Board—President, C. J. Mackenzie  
 Atomic Energy of Canada Limited—President, W. J. Bennett  
 Canadian Patents and Development Limited—President, E. R. Birchard  
 Canadian Wheat Board—Chief Commissioner, G. H. McIvor  
 Eldorado Aviation Limited—President, W. J. Bennett  
 Eldorado Mining and Refining Company Limited—President, W. J. Bennett  
 Export Credits Insurance Corporation—President and General Manager, H. T. Aitken  
 National Research Council—President, E. W. R. Steacie  
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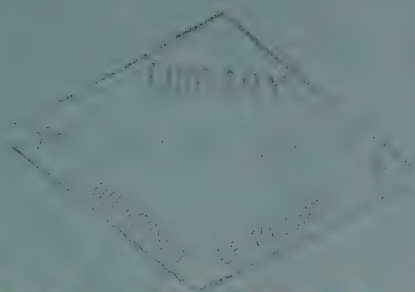
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# ANNUAL REPORT

DEPARTMENT OF TRADE AND COMMERCE

1958







TRADE AND COMMERCE BUILDING,  
WELLINGTON ST., OTTAWA, THE  
PERMANENT HEADQUARTERS OF THE  
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Sixty-Seventh

ANNUAL REPORT

Department  
of  
Trade and Commerce  
1958

The Hon. Gordon Churchill, *Minister*  
John H. English, *Deputy Minister*

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OTTAWA, April 1, 1959.

To His Excellency the Right Honourable Vincent Massey, C.H.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Sixty-seventh Annual Report of the Department of Trade and Commerce, covering the calendar year 1958.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

GORDON CHURCHILL  
*Minister of Trade and Commerce.*





OTTAWA, April 1, 1959.

The Honourable Gordon Churchill,  
Minister of Trade and Commerce,  
Ottawa, Ontario.

Sir:

I have the honour to submit the Sixty-seventh Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1958.

Your obedient servant,

JOHN H. ENGLISH

*Deputy Minister.*



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**Part I**

**Economic and Trade Developments**



## A. ECONOMIC AND TRADE REVIEW

### 1. WORLD CONDITIONS

The slowdown in economic activity which became apparent on an international scale in the latter part of 1957, carried forward into 1958. The timing and extent of this adjustment varied from one country to another.

The United States economy underwent a relatively sharp, though brief, setback from the late summer of 1957 to the spring of 1958. During this period industrial production declined by 13 per cent and overall national output by more than 5 per cent. Subsequent recovery was rapid and by the end of 1958 overall national production had regained, and employment was within 2 per cent of, the previous maximum levels. However, for 1958 as a whole, output and employment were significantly below the level of the previous year.

In other industrial nations changes were more gradual and the extent of the adjustment, in most instances, less pronounced. The trend of economic activity in the United Kingdom levelled off in 1957 and turned moderately lower in 1958. The pace of advance in Western Europe slowed down in 1957 and a slight decline in overall production occurred in the early part of 1958. This trend of activity was not uniform and in certain countries, particularly West Germany and France, the trend of production remained firm to slightly upward. On the other hand, Japan experienced a rather sharp dip in industrial activity ending early in 1958, which was associated with a deterioration in the foreign balance position. A sharp reduction in imports into Japan brought a better balance in the external financial position and by the latter part of 1958 industrial production was again moving upward.

The less-industrialized countries of the Free World were the first to feel the effects of world recession. These countries are to a large extent dependent upon the production and export of foodstuffs and raw materials. International commodity markets softened early in 1957 and many of these items remained in a relatively weak position for the ensuing two-year period. As a result foreign earnings declined and external balance positions have remained under severe pressure. This, in turn, has had a retarding effect upon industrial development in these areas.

The slower tempo of industrial production and development, internationally, was accompanied by a decline in world trade. Trade in basic commodities had fallen off in 1957. Reduced foreign earnings in material-producing areas, and a slackening pace of activity in industrialized

countries themselves, together led to a decline in the inter-country movement of manufactured goods. In 1958, aggregate merchandise trade amongst all countries declined by about 6 per cent.

The impact of these developments upon the balance of payments positions of different countries varied markedly. Recession in the United States was accompanied by a much smaller reduction in imports than in exports. The decline in the trade balance of the United States, together with the continuation of a high level of foreign investment and aid, resulted in a hard currency outflow from this country of more than \$3 billion during 1958. This outflow contributed substantially to the international liquidity position of the non-dollar world but was reflected primarily in increased reserve positions for the United Kingdom, Western Europe and Japan.

For these industrialized countries the cost of imports was reduced as a result of lower prices of foodstuffs and raw materials. Exports, on the other hand, were fairly well maintained. The adverse effects of reduced earnings by under-developed countries upon markets for manufactured goods were mitigated by the continued provision of financial assistance to these areas. Exports to other countries including the dollar area were reasonably stable, and in some cases increased. United Kingdom exports to the United States rose by 17 per cent between 1957 and 1958, and West European sales in the same market were moderately higher. In the case of the United Kingdom, a better balance on merchandise trade was supplemented by a substantial capital inflow associated with a growing confidence in sterling. During 1958, the currency reserves of the sterling area rose substantially despite the prevalence of adverse balance positions in some of the Commonwealth countries. This major improvement in the overall position of sterling and other West European currencies laid the basis for the new convertibility arrangements late in 1958.

On the other hand, in many of the countries of South Asia and Latin America balance of payments difficulties remained acute throughout 1958. However, recovery in the United States and moderate firming in commodity markets toward the end of the year gave promise of some amelioration in the external financial position of food and raw material exporting countries.

Meanwhile, the decision taken at the Annual Meetings of the International Monetary Fund and the International Bank for Reconstruction and Development, in September 1958, to increase substantially the reserves of these two organizations was designed to strengthen further the international financial structure of the trading world.

## 2. ECONOMIC CONDITIONS IN CANADA

Considered in the light of world conditions generally, the economic downturn in Canada was of quite moderate proportions. Physical output in Canada declined about one-half as much as in the United States. Following



moderate weakening in the latter part of 1957, activity steadied early in 1958, and by the end of the year expansionary tendencies had gained considerable momentum. For 1958 as a whole, national output, in volume terms, was slightly higher than in the preceding year. After allowing for usual seasonal variations, total employment moved within a relatively narrow range during 1958 and by December was slightly higher than one year previous. Employment in larger industrial establishments was down moderately but this was offset by a further filling out in service occupations. By year-end, unemployment was only slightly higher than in the preceding off-season.

The relative stability which characterized the Canadian economy during this period of world recession was in part the result of sustained sales abroad, even in the face of a general decline in world trade. This strength in external markets is a reflection of the growth of new export industries and also of the diverse composition of Canada's export trade. As a major world supplier of industrial materials, Canada found many of her principal export industries could not escape the adverse effects of international weakening in commodity markets. Nevertheless, losses in traditional forest and mineral products were offset by substantial gains in items ranging from agricultural commodities to highly specialized equipment.

Certain internal influences also contributed to the early arrest of the downturn in Canada and the subsequent improvement. Most important among these were the substantial rise in housebuilding, increased public investment and the continuing upward trend of personal incomes and consumer spending. In each of these areas, Government action was instrumental in creating new demand stimulus.

Residential construction in 1958 rose 25 per cent from the level of the preceding year, with housing starts numbering 165,000 and completions 147,000. This upsurge in housebuilding began in the latter part of 1957. At that time minimum requirements for loans obtained under the National Housing Act were relaxed, and large sums were made available from the Federal Government for mortgage purposes. This special stimulus to housebuilding was supplemented as the year progressed by increased availability of mortgage funds from private sources. Accordingly, housing activity remained strong throughout the year with starts in the fourth quarter at the highest level ever reached in that season. The resulting record carryover of unfinished houses into the winter months provided special support to employment in the off-season.

Another stimulating influence contributing to the high level of construction operations in 1958 was the increase in outlays for public projects at all levels of government. Lower interest rates and improved supply conditions in the construction trades helped provinces and municipalities to get ahead more quickly with large backlogs of needed facilities. The Federal Government also embarked upon a stepped-up program of capital projects designed

to meet the growing needs for additional services and to foster national development. Construction work undertaken directly by federal, provincial and municipal governments was 10 per cent higher in 1958 than in the preceding year.

Possibly the most pervasive expansive influence in the Canadian economy during 1958 was the steady rise in overall personal income. Government measures implemented in the latter part of 1957, providing for higher pension and family allowance rates, extended unemployment insurance benefits, and reduced taxes, added significantly to the financial resources of individuals. Of the principal forms of personal income, social security payments and other types of government transfers to individuals, contributed more than any other category to the increase of current purchasing power. Payments of this type rose by 26 per cent or \$545 million between 1957 and 1958. Farm income showed a substantial gain in 1958 mainly as a result of larger livestock marketings, but supported also by the high level of grain exports. Certain categories of investment income increased quite sharply. The percentage rise in employee earnings on the other hand was of more moderate proportions. Lower employment in some industries together with a moderating upward trend in wage rates resulted in a 2 per cent increase in labour income between 1957 and 1958. However, total income at the disposal of individuals rose 7 per cent between the same two years.

Consumer spending, though up by 5 per cent over the same period, did not keep pace with the rise in personal incomes during the first three-quarters of 1958. While spending more, Canadians were also saving more, (much of this in liquid form), and paying off some of their instalment debt. This improved financial position of consumers made itself felt in the closing months of the year when consumer outlays surged sharply ahead. The change in consumer behaviour was particularly evident in the case of automobiles, sales of which showed a year-over-year rise of 26 per cent in the fourth quarter, compared to a decline of 7 per cent in the first nine months of 1958. The pick-up in consumer spending together with a slower rate of inventory liquidation were important influences contributing to a general strengthening in activity throughout Canadian industry toward the end of the year.

Business outlays on plant and equipment in 1958 were down considerably from the level of the previous year. Much of this decline occurred in mineral and forest products and other resource-based industries which had experienced a tremendous build-up in preceding years. In the period from 1955 to 1957 industrial expansion proceeded at a rate well in excess of the normal rise in consumption of materials. As a result, capacity additions were in many cases sufficient to take care of market needs for some time to come. Meanwhile recession in the United States and general softening in commodity markets caused a temporary fall-off in demand which further added to the excess capacity situation. A slowdown in resource expansion was a natural consequence of these conditions.

Business investment spending in 1958, though less than in the previous year, still entailed a substantial rate of expansion in Canadian industry at large. Capital outlays by business alone, exclusive of housing and all forms of social capital, comprised 15 per cent of Canada's Gross National Product. When all forms of capital investment are included the proportion amounted to 26 per cent which was higher than in any year prior to 1955.

Though much of the actual plant construction had taken place in preceding years, it was in 1958 that a major portion of this new capacity actually came into operation. In fact, throughout industry at large, the rate of introduction of new capacity was probably as great in 1958 as in the preceding year. Within this two year period Canadian industry took on major new dimensions. Perhaps the most striking example was the sudden burgeoning of Canada's new uranium industry which grew from a capacity of about 2,300 tons in 1956 to 15,000 tons in 1958. At the present time, uranium oxide is Canada's largest mineral export. The proportionate growth of capacity in other major resource lines is indicated below.

**Approximate Percentage Increase in Capacity  
in two year period 1957 and 1958**

Commodity	% increase	Commodity	% increase
Newsprint .....	15	Iron Ore .....	26
Woodpulp .....	15	Petroleum Crude .....	60
Aluminum .....	16	Petroleum Refined .....	22
Nickel .....	9	Cement .....	25
Copper .....	15	Iron and Steel .....	15
Asbestos .....	13	Electric Power .....	25

The tremendous production potential represented in the foregoing figures is, to a large extent, export-oriented. This means that as recovery proceeds in the United States and stronger expansionary trends appear in other industrial countries, Canadian industry will be well prepared to meet the accompanying rise in material requirements.

The changing pattern of market demands during 1958 resulted in quite divergent conditions among Canadian industries. Many consumer lines, construction and related material-producing industries had a particularly active year. Food processing groups and chemicals, for example, achieved new production records. On the other hand most durable goods producers and many material-processing industries operated at moderately lower levels in 1958. By the end of the year, however, a stronger pace of expansion was becoming increasingly evident throughout Canadian industry.

While Canadian market requirements for many types of goods were down moderately in 1958, the impact of lower demand fell more heavily upon foreign suppliers than upon Canadian producers. In aggregate terms, shipments from domestic sources declined less than imports. In steel rolling mill products, for example, a quite substantial fall-off in Canadian consumption in 1958



was reflected largely in lower imports, while Canadian mills remained at relatively high operating levels compared with the American industry. Also in most manufacturing lines, including cotton and woollen textiles, household appliances and many types of machinery, Canadian producers were generally successful in holding their own against foreign competition. In some fields, however, such as synthetics and rubber footwear, foreign goods obtained an increased share of the Canadian market.

### 3. CANADA'S FOREIGN TRADE

#### Total Trade

Canada's trade in 1958 was conditioned by a slower tempo of industrial activity abroad, and a more moderate pace of industrial development domestically. Nevertheless, markets for some of Canada's major exports continued to expand. In addition, the recent growth in Canada's processing industries and the broadening out into new fields of export helped to sustain the overall level of Canadian sales abroad despite a declining trend in world trade at large. On the other hand, reduced spending on plant and equipment in Canada and a general drawing-down of business inventories were the dominant influences contributing to a significant decline in imports.

Canada's merchandise exports in 1958 amounted to \$4,929 million, about the same as in the preceding year. Imports fell from \$5,623 million in 1957 to \$5,196 million in 1958, a decline of 8 per cent. The downward movement of imports was particularly sharp in the early part of the year. Toward the end of the year, strengthening market demand in Canada resulted in increased purchasing from foreign as well as domestic sources. In the last quarter of 1958, imports were 5 per cent above the level of the corresponding period in 1957.

Though moving up slightly in the closing months, prices of both exports and imports for 1958, as a whole, were, on average, little changed from the 1957 levels.

Summary Statistics of Total Canadian Trade  
(Millions of Dollars)

	1957	1958	Percentage Change 1957 to 1958
Value of Trade			
Exports <sup>1</sup> .....	4,934	4,929	—0.1
Imports .....	5,623	5,196	—7.6
Balance of Trade .....	—689	—267	
Price Indexes <sup>2</sup> (1948=100)			
Exports .....	121.3	120.9	—0.3
Imports .....	116.6	117.0	+0.3
Terms of Trade .....	104.0	103.3	—0.7

<sup>1</sup> Includes re-exports.

<sup>2</sup> 1958 indexes are estimated.



## Commodity Pattern of Trade

### *Exports*

In the years prior to 1957, world industrial production had moved sharply upward. The rising volume of materials needed to meet this growth in factory output had provided an expanding market for the products of Canada's mineral and forest industries. The importance of these items in Canada's export trade grew steadily, and by 1957 they comprised two-thirds of total exports.

In 1958, however, this proportion fell off moderately as the position occupied by agricultural products and highly manufactured goods picked up in relative importance. Agricultural and fishery products together now comprise nearly one-quarter of Canada's domestic exports; mineral products and chemicals make up one-third; forest products 29 per cent; and highly manufactured goods and other miscellaneous items about 12 per cent.

Export values of individual commodities fluctuated sharply in 1958. Despite the general decline in world trade, substantially increased sales of a number of major items offset declines resulting from the general weakness in world markets for industrial materials.

The year 1958 was a good one for Canadian wheat. Exports of wheat and flour reached 311 million bushels in the calendar year, 17 per cent higher than in 1957. Exports of the major exporting countries, taken together, declined, and Canada's share of the international wheat trade rose considerably. Sales in commercial markets accounted for a good part of the increase, the improved protein quality of the 1957 and 1958 crops being an important contributing factor. Shipments to Colombo Plan countries under long-term credit and aid arrangements, amounting to nearly 31 million bushels in 1958, further added to the total movement. Among other grains, barley was exported in larger quantities in 1958, most of the increase going to the United Kingdom. Canadian beef, both live and dressed, moved into the United States market in substantially increased volume, the annual export value having surpassed the \$100 million mark for the first time since 1950. Exports of pork products also showed a substantial gain. Primarily as a result of increased sales of these four items, exports of agricultural products, in total, rose by 15 per cent in 1958 compared with the preceding year.

Sales of fishery products also showed a significant gain.

Uranium sales rose more than two-fold between 1957 and 1958, reflecting the higher delivery rates provided for under existing contracts as new capacity came into operation. The \$150 million increase in the export value of this new mineral was substantially larger than that for any other single commodity. With the delivery of natural gas through the West Coast transmission line, the export value of this item rose to \$18 million for the year.

For other major mineral exports, the effects of lower world demand were clearly evident. Moderately lower sales of aluminum and nickel reflected the generally easy supply situations of these two metals. For other base metals, shipments in tonnage terms were generally maintained but lower prices meant a reduced return in dollars. The crude oil surplus in the United States, accompanied by the imposition of import quotas, resulted in substantially smaller purchases from Canadian sources. Reduced operations in both the American and British steel industries were accompanied by a cut-back in purchases of iron ore from Canada. Exports of asbestos declined as a result of reduced consumption and increasing supplies from foreign sources.

Foreign sales of chemical products held to the previous year's level, despite lower shipments of certain categories such as fertilizers and plastics.

Forest products exports declined only slightly in 1958. Lumber had been the first of Canada's major export items to encounter general weakening of demand on an international scale. Exports of this commodity declined quite sharply in 1956, but by 1958 some degree of recovery was apparent. On the other hand, exports of newsprint and pulp were slightly lower in 1958 mainly as a result of reduced consumption levels in the United States in the early part of the year. However, toward the end of the year shipments were picking up.

Higher exports of manufactured products were one of the notable features of Canada's trade in 1958. The bulk of two large orders for military aircraft to NATO countries was shipped during the year, raising exports of this item to \$109 million. Among the more established export lines, substantially larger sales of farm implements, particularly to the United States, were also realized. For manufactured goods generally, foreign markets were increasingly competitive but progress was made in the development of new markets for a number of specialized items.

**Canadian Exports to all Countries**  
(Millions of Dollars)

	1957	1958
<b>Farm Products</b>		
Wheat and Wheat Flour .....	441.6	515.5
Coarse Grains .....	94.6	97.8
Oil Seeds .....	85.6	67.0
Live Beef, Beef and Veal .....	55.1	104.3
Pork and Pork Products .....	18.7	28.2
Eggs and Dairy Products .....	14.7	22.9
Furs, Dressed and Undressed .....	28.0	25.0
Other .....	142.2	157.1
<b>Total</b> .....	<b>880.5</b>	<b>1,017.8</b>
<b>Fishery Products</b> .....	<b>131.9</b>	<b>154.3</b>

Primary and Semi-Processed Metals and Minerals		
Iron Ore .....	152.3	107.7
Primary and Semi-Finished Steel .....	118.6	77.7
Aluminum .....	230.5	223.6
Copper .....	169.2	141.8
Lead and Zinc .....	94.5	81.6
Nickel .....	248.3	212.6
Uranium Ores .....	127.9	276.5
Asbestos .....	108.9	91.5
Petroleum, Crude .....	141.0	73.0
Other .....	220.6	155.8
Total .....	1,611.8	1,441.8
Chemicals .....	195.3	197.1
Forest Products		
Lumber, Softwood and Square Timber .....	265.9	277.2
Wood Pulp .....	292.4	285.4
Newsprint .....	715.5	690.2
Other .....	169.5	151.1
Total .....	1,443.3	1,403.9
Other Manufactured and Miscellaneous Products		
Whiskey, Spirits and Beer .....	71.2	74.5
Farm Implements, Machinery and Parts .....	67.7	97.6
Other Machinery and Parts .....	57.2	46.9
Automobiles, Trucks and Parts .....	40.1	36.0
Electrical Apparatus n.op. ....	25.2	24.9
Aircraft and Parts .....	39.9	109.3
Other .....	275.0	226.4
Total .....	576.3	615.6
Exports of Foreign Produce .....	95.3	98.1
Grand Total .....	4,934.4	4,928.5

### *Imports*

Most of the decline in the value of merchandise imports in 1958 was accounted for by reduced purchases of investment type goods and components such as machinery and steel. More moderate declines were fairly well spread throughout most commodity groups.

Canada's growing self-sufficiency in fuels, along with a slower pace of industrial activity, were reflected in lower purchases from abroad of coal and petroleum products. Despite increased domestic sales in most consumer good lines in 1958, the extensive drawing-down of stocks entailed reduced purchases from abroad in a number of consumer categories such as cotton and wool products. A notable feature of the Canadian automobile market in 1958, was a sharp increase in the share of the market absorbed by European-type cars. This was reflected in a marked rise in automotive imports from the United Kingdom and Western Europe, and lower purchases from the United States. Toward the end of the year, however, automotive imports from both areas were rising.

**Canadian Imports from all Countries**  
(Millions of Dollars)

Item	1957	1958
<b>Farm Products</b>		
Fruits, Vegetables and Grains .....	268.6	283.3
Sugar .....	82.8	64.4
Tea, Coffee, Cocoa and Spices .....	113.8	114.3
Rubber, Crude .....	33.1	30.2
Furs, Dressed and Undressed .....	25.8	25.3
Other .....	82.9	89.2
Total .....	606.9	606.8
<b>Textiles</b>		
Raw Cotton .....	51.3	47.1
Cotton Products .....	103.6	104.9
Flax, Hemp or Jute .....	23.2	23.6
Raw Wool (including Tops) .....	32.0	22.6
Wool Products .....	72.7	64.0
Synthetic Fibres and Products .....	59.7	59.4
Other .....	66.2	65.6
Total .....	408.7	387.3
<b>Forest Products</b>		
Paper and Products .....	146.2	154.3
Other .....	79.7	81.3
Total .....	225.9	235.6
<b>Primary and Semi-Processed Metals and Minerals</b>		
Iron and Primary and Semi-Finished Steel .....	469.1	315.3
Bauxite and Alumina for Aluminum .....	38.8	30.3
Coal, Coke and Products .....	140.2	103.8
Petroleum, Crude .....	305.7	278.5
Petroleum Products .....	149.7	123.7
Clay and Products .....	47.8	45.0
Glass and Products .....	48.6	54.2
Other .....	268.7	227.5
Total .....	1,468.6	1,178.3
<b>Chemicals</b> .....	293.8	290.4
<b>Other Manufactured and Miscellaneous Goods</b>		
Beverages .....	23.5	24.3
Vegetable Oils .....	26.0	30.3
Manufactures of Rubber .....	38.3	35.1
Leather and Products .....	20.2	21.6
Aircraft Engines .....	35.3	45.2
Aircraft and Parts n.o.p. ....	93.7	94.8
Automobile and Truck Engines .....	22.8	20.0
Automobiles, Truck and Parts n.o.p. ....	396.0	405.7
Engines, Boilers and Parts n.o.p. ....	80.4	69.5
Farm Implements, Machinery and Parts .....	202.2	198.3
Machinery (except Agricultural) .....	631.6	532.9
Other Iron and Steel Products .....	287.3	260.2
Electrical Equipment n.o.p. ....	249.3	240.1
Other .....	513.0	515.8
Total .....	2,619.5	2,494.0
Grand Total .....	5,623.4	5,192.4



Direction of Trade

Within the unchanged level of total exports between 1957 and 1958, there were moderate changes in the trend of sales to different countries. In general terms, this shift involved primarily an increase in exports to the Commonwealth and Western Europe, and slightly lower sales to the United States, Latin America and all other countries considered as a group.

The proportion of Canada's total exports going to the United Kingdom increased from 15 to 16 per cent, and to the Commonwealth as a whole from 20 to 22 per cent. The United States market absorbed slightly less than three-fifths of Canada's exports in 1958. Significant shifts among other countries included an increase in the share to West Germany from 3 to 4 per cent, and a decline in the share to Japan from 3 to 2 per cent.

Virtually all of the decline in total imports was reflected in purchases from the United States, which entailed a drop in this country's share of the Canadian import market from 71 to 69 per cent. On the other hand, purchases from the United Kingdom increased slightly and its share of the Canadian market rose from 9 to 10 per cent.

Direction of Canadian Trade

	1957	1958	Per cent of Total	
			1957	1958
Total Exports to:				
United States .....	2,943	2,915	59.6	59.1
United Kingdom .....	743	781	15.1	15.8
Other Commonwealth and Ireland .....	245	291	5.0	5.9
Western Europe .....	519	547	10.5	11.1
Latin America .....	225	180	4.6	3.7
Others .....	259	215	5.2	4.4
Total Imports from:				
United States .....	3,999	3,572	71.1	68.8
United Kingdom .....	522	527	9.3	10.2
Other Commonwealth and Ireland .....	240	211	4.3	4.1
Western Europe .....	302	314	5.4	6.0
Latin America .....	380	350	6.7	6.7
Others .....	180	218	3.2	4.2

Balance of Payments

An unchanged level of exports, and lower imports, reduced Canada's deficit on merchandise trade from \$689 million in 1957 to \$267 million in 1958. Most of this reduction occurred in the commodity deficit with the United States which declined from \$1057 million to \$663 million. Canada's trade surplus with the sterling area rose, but with the rest of the world fell off to quite moderate dimensions.

On the other hand, the imbalance on non-merchandise transactions continued to increase. With this taken into account, Canada's overall deficit on current international transactions for 1958 amounted to \$1,112 million compared with \$1,400 million in 1957. The inflow of capital funds was more than adequate to cover the imbalance on current transactions. Canada's gold and dollar reserves increased moderately from the beginning to the end of the year, while the external value of the Canadian dollar remained at a premium in terms of the American dollar.

## Trade by Geographic Areas

### *Trade with the United States*

Canada's trade with the United States in 1958 was conditioned by the relatively sharp recession in that country, which, despite a rapid recovery from the spring low, reduced the national output for the year as a whole by 3 per cent. In Canada, overall physical output rose slightly.

The United States is Canada's principal market for industrial materials. Consequently, lower industrial output in that country was primarily responsible for reduced Canadian sales of items such as aluminum, nickel, copper, lead, zinc, iron ore, oil, asbestos and pulp and paper. In the case of oil, lead, and zinc, depressed markets were accompanied by the implementation of import quotas. On the other hand, the United States provided an expanding market for a number of major items including uranium, livestock products, farm implements and lumber. Demand for other important exports such as fish products, chemical fertilizers and alcoholic beverages increased slightly. In total, Canada's sales to the United States declined by only 1 per cent between 1957 and 1958, roughly in line with the trend of overall American imports.

In contrast, Canada's purchases from the United States declined by 10 per cent. The slower tempo of industrial expansion in Canada entailed a substantial reduction in imports of investment goods such as machinery and related materials and components of which the United States is the principal source of supply. Reduced sales in Canada of North American type cars was another factor contributing to the lower level of American imports. However, a number of consumer-type goods moved north across the border in increasing quantities, prominent among these being household appliances and synthetic textiles.

### Trade with the United States

Canadian Exports		(\$ millions)
1957	.....	2943
1958	.....	2915
Canadian Imports		
1957	.....	3999
1958	.....	3572

### *Trade with the United Kingdom*

The moderate decline in industrial activity in the United Kingdom in 1958 was accompanied by an improvement in the external financial position and a steady strengthening of sterling.

These conditions provided the basis for a significant increase in purchases from Canada, affecting, primarily, grains and other foodstuffs. Barley shipments to the United Kingdom increased from 19 to 46 million bushels between 1957 and 1958, reflecting not only a build-up of depleted stocks but also a shift from other traditional sources of supply. Wheat exports to Britain also increased, by 11 million bushels to a total of 86 million bushels. The first shipments of uranium ores under the existing sales contract began in the last half of the year, and amounted to nearly \$14 million. Further relaxation by the United Kingdom of restrictions against dollar goods was reflected in increased orders for Canadian apples and canned salmon. On the other hand, there was some decline in exports of industrial materials to the United Kingdom, particularly iron ore, lumber and base metals.

Purchases from the United Kingdom were more than maintained in 1958, reflecting among other things vigorous promotional efforts toward improving the position of Britain as a source of Canadian imports. Reduced purchases of certain iron and steel products such as pipe were more than offset by increases in imports of items such as automobiles and aircraft.

#### **Trade with the United Kingdom**

		(\$ millions)
Canadian Exports		
1957	.....	743
1958	.....	781
Canadian Imports		
1957	.....	522
1958	.....	527

### *Trade with Other Commonwealth Countries*

Other Commonwealth countries are primarily exporters of tropical foods and raw materials. As such, most of these areas encountered serious exchange difficulties as a result of the weakening in commodity markets in 1957 and 1958, and tighter control of imports was implemented in some. While these conditions tended to restrain further expansion of Commonwealth markets for Canadian products, trade was nevertheless maintained at a substantial level. Toward the end of 1958, some relaxation of import controls took place.

The increase in overall export shipments to the Commonwealth area in 1958 reflected, primarily, the large scale movement of wheat to Colombo Plan countries. The program of economic assistance to these countries has been supplemented by providing long-term loans for the purchase of wheat. The \$35 million provided in January for this purpose was fully taken up during the year. In addition Canada provided, as gifts, considerable quantities of wheat and flour over and above the assistance given through the established



program. The recipient country sets aside in a counterpart fund sums equal to the value of the produce received to be used to finance approved development projects. In this way economic development is fostered and Canadian wheat is introduced to areas where it has not customarily been consumed.

Much the larger proportion of Canada's imports from the Commonwealth, other than the United Kingdom, consisted of bulk commodities such as raw sugar, tea, wool, bauxite and alumina, rubber and crude petroleum. Markets for these commodities are traditionally volatile and lower prices during the past two years are the principal reason for the decline in value of imports from the Commonwealth area.

#### Trade with Other Commonwealth Countries

	Canadian Exports		Canadian Imports	
	1957	1958	1957	1958
(\$ Millions)				
India .....	29	79	29	28
Pakistan .....	11	15	—	—
Ceylon .....	3	6	15	13
West Indies Federation .....	40	36	58	43
British Guiana .....	5	4	20	21
Australia .....	49	53	29	33
New Zealand .....	17	15	12	12
Union of South Africa .....	48	50	7	8
Malaya—Singapore .....	3	3	27	20
Other Areas .....	28	22	42	32
Total .....	233	283	239	210

#### Trade with Western Europe

As with the United Kingdom, trade with Western European countries was conditioned in 1958 by a moderating pace of industrial activity but generally improved external balance positions.

For virtually all of Canada's traditional exports to this market, world supplies were ample and keenly competitive conditions were in some instances accentuated by increasing availability of supplies from the U.S.S.R. The increase in Canada's total exports to Western Europe in 1958 was attributable to the procurement of military aircraft and parts by West Germany (\$67 million), and Belgium (\$21 million). Excluding this item, West European purchases from Canada declined moderately—roughly in line with purchases from other overseas material suppliers.

The trend of industrial activity in West Germany, somewhat stronger than in Europe as a whole, was reflected in increased purchases of primary iron, aluminum, nickel, and other base metals. With respect to agricultural products, the German market absorbed less wheat, barley and flaxseed but more eggs and fruit. Likewise in other countries the pattern of purchases of Canadian products was uneven. Wheat exports to Belgium, a major customer, remained about unchanged, increased in the case of the Netherlands and



Switzerland, and declined to Italy. A poor quality West European crop in 1958 should entail growing interest in Canadian wheat during the current crop year. Canada's forest and mineral products gained ground in some instances, but in others were hard-pressed to maintain their position in the face of declining consumption in some countries and intensified competition from other suppliers.

Canadian imports from Western Europe, as from the United Kingdom, were roughly maintained at 1957 levels despite the decline in imports as a whole. This stability is explained in part by the relatively large proportion of consumer goods in Canadian purchases from Europe. Notable among consumer good imports were passenger cars which continued to gain ground in the Canadian market.

The country experiencing the sharpest decline in sales to Canada was Belgium. This country supplies primarily capital goods such as iron and steel products which were adversely affected by the slower rate of industrial expansion in Canada.

#### Trade with Western Europe

	Canadian Exports		Canadian Imports	
	1957	1958	1957	1958
(\$ Millions)				
European Economic Community				
West Germany .....	152	202	98	106
France .....	58	45	36	41
Belgium-Luxembourg .....	60	70	44	36
Netherlands .....	70	75	25	30
Italy .....	63	30	33	33
Sub-Total .....	403	422	236	246
Other Western Europe				
Switzerland .....	25	29	25	27
Norway .....	56	56	3	3
Sweden .....	12	11	16	14
Other (incl. Ireland) .....	33	38	24	26
Sub-Total .....	126	134	68	70
Total Western Europe .....	529	556	304	316

#### Trade with Latin America

Latin America, like other food and material exporting areas, has encountered serious economic and financial difficulties as a result of the weakness in commodity markets in recent years.

Figures on Canada's exports to Latin America in 1957 included a non-recurring item consisting of the transfer of Canadian registered shipping to the Panamanian flag. The completion, in 1957, of a contract for locomotives to Argentina accounts for the sharp decline of Canadian exports to that country in 1958. Apart from these two factors, Canada's markets in

Latin America were generally maintained in 1958. Venezuela displaced Mexico as Canada's largest market in this area, reflecting larger purchases of foodstuffs, including shell eggs to a value of \$4 million.

Canada's imports from Latin America in 1958 were affected by the substitution in considerable quantities of Middle East for Venezuelan oil. A decline in world coffee prices affected the value of imports from Brazil. On the other hand, there was an appreciable rise in imports of raw cotton from Mexico.

Trade with Latin America

	Canadian Exports		Canadian Imports	
	1957	1958	1957	1958
	(\$ Millions)			
Venezuela .....	40	44	248	210
Mexico .....	43	36	21	32
Brazil .....	26	21	35	27
Cuba .....	17	18	14	19
Colombia .....	15	14	18	17
Argentina .....	14	6	5	5
Panama .....	31	5	7	7
Other .....	39	36	32	33
Total .....	225	180	380	350

Trade with Japan

The recent economic adjustment in Japan was precipitated by an acute exchange position in 1957 followed by substantial curtailment of imports and lower industrial production.

In these circumstances, Canada's exports to Japan declined by about one-quarter in 1958 after having risen from \$5½ million in 1949 to a peak of \$139 million in 1957.

Though other products were involved, this longer term expansion has been largely due to Japan's growing food requirements. In the years of rice scarcity in the Far East, processed barley was used as a substitute and wheat also has become increasingly established as a staple item in the Japanese diet. Exports of wheat and barley to Japan totalled \$70 million in 1958, the same as in the previous year. Thus the reduction in 1958 in overall purchases from Canada did not affect this important market for agricultural products.

The major decline in exports to Japan was in primary iron and steel products, particularly pig iron. This was the result both of expansion in domestic Japanese capacity and lower industrial output there. Sales of flaxseed which were unusually high in 1957 fell back to average annual levels. There was also a decline in Japanese demand for Canadian wood products, asbestos and aluminum. On the other hand the Japanese market for drugs and chemicals continued to expand.

Canadian imports from Japan, about one-third of which are textiles, are largely consumer goods. Japan was able to more than maintain sales to Canada in 1958 despite lower shipments of iron and steel products.

Trade with Japan

Canadian Exports		(\$ Millions)
1957	.....	139
1958	.....	105
Canadian Imports		
1957	.....	62
1958	.....	70

Trade with Other Countries

Canada’s trade with Communist Bloc countries in 1958 remained at about the level of the previous year.

Exports to these countries consisted largely of wheat, 7½ million bushels to the U.S.S.R. and 4¼ million bushels to Communist China—the first sizable movement to this country. In addition, the U.S.S.R. purchased 5 million bushels of barley from Canada during the year. On the other hand, Poland was not a market for Canadian wheat in 1958, having bought 11 million bushels in the previous year.

Imports from these countries remained at roughly the 1957 value of \$15 million.

The major change in trade with the remaining countries of the world was an increase in the purchase of crude petroleum from Arabia, from \$34 million in 1957 to \$68 million in 1958.

Trade with Other Countries

	Canadian Exports		Canadian Imports	
	1957	1958	1957	1958
(\$ Millions)				
Communist Bloc Countries				
U.S.S.R. ....	10.7	18.9	2.8	1.7
China ....	1.4	7.8	5.3	5.4
Poland ....	16.7	0.6	1.1	1.3
Czechoslovakia ....	1.4	1.4	5.1	4.9
Other ....	0.8	1.6	1.1	1.8
Sub-Total ....	31.0	30.3	15.4	15.1
Remaining Countries				
Arabia ....	1.7	2.0	34.3	68.0
Philippines ....	17.5	14.1	4.0	2.2
Indonesia ....	1.6	1.7	1.0	0.2
Other ....	37.5	33.8	54.3	51.9
Sub-Total ....	58.3	51.6	93.6	122.3
Total Other Countries ....	89.3	81.9	109.0	137.4

## B. TRADE POLICY DEVELOPMENTS

### 1. INTRODUCTION

The year 1958 was marked by a number of major developments in the commercial policy field of direct interest to Canada.

Of particular importance was the Commonwealth Trade and Economic Conference held in Montreal in September. This Conference, which was convened on Canada's initiative, made significant contributions to the strengthening of Commonwealth relations and to the expansion of world trade. New impetus was given to the removal of import restrictions, the achievement of convertibility of currencies, and the search for solutions to trade and economic problems on a world-wide basis.

The initiatives set in motion at the Montreal Conference were followed up, in concert with other countries, at the New Delhi meetings of the IMF and IBRD where recommendations were made for the expansion of the resources of these international financial institutions. Action was also taken at the GATT Conference in Geneva, where the United States announced its readiness to enter into a new round of multilateral tariff negotiations. The GATT countries further decided to explore the possibility of reducing agricultural protectionism throughout the world and to examine special trade problems of under-developed countries, as part of a new program of trade expansion.

During the year, Canada's exports to the United States were maintained at a high level, in spite of the business recession in that country. However, restrictive measures taken by the United States with respect to imports of crude petroleum and lead and zinc, posed serious threats to Canadian trade. Canada made strong representations to the U.S. Government on these issues, urging the removal of restrictions affecting Canadian exports. Canadian concerns about U.S. wheat surplus disposal policies were also brought to the attention of the U.S. Government on repeated occasions, and, as a result of closer consultation and certain modifications in the U.S. program, there was some improvement in the situation during the period.

The European Economic Community came formally into being on January 1st and set about organizing its central institutions and formulating its long-run policies. The creation of this new economic grouping involving the eventual establishment of a common market among six European countries is of major significance, both from the point of view of Canada's direct trade with the countries concerned and of the future pattern of world trade. Throughout the year, intensive negotiations were carried on for the establishment of an industrial Free Trade Area which would associate the United Kingdom and other European countries in free trade relationships with the Common Market. These negotiations proved unsuccessful, however, and the shape of future intra-European trade relations was still uncertain by year-end.



In 1958 substantial progress was achieved in the reduction and elimination of import restrictions and discrimination in many countries. At the close of the year the United Kingdom and most Western European countries introduced external convertibility for their currencies. This important step reflected the strengthening of the balance of payments and reserve positions of these countries. The convertibility of all the world's major trading currencies has removed any financial reasons for the maintenance of discriminatory restrictions against dollar exports.

In common with other countries, Canada gave careful attention during the period to developments arising from the more active participation of a number of Sino-Soviet Bloc countries in world markets.

## 2. CANADA AND THE COMMONWEALTH

Special attention was directed during the year to the expansion of Canada's trade with the Commonwealth and the strengthening of trade and economic relations among Commonwealth countries.

Intensive preparations were made for the Commonwealth Trade and Economic Conference, which took place in Montreal in September. This was the first full-scale Commonwealth Trade Conference in over a quarter of a century, and it provided an opportunity for a thorough review of intra-Commonwealth trade and economic ties and of the relations of Commonwealth countries with the rest of the world. At this Conference the Commonwealth countries reached important decisions and understandings with respect to future policy in the broad fields of trade, commodity problems and agriculture, finance, development and consultation.

In particular, they reaffirmed their common objective of freer trade and payments on a world-wide basis, including the removal of dollar discrimination and the convertibility of sterling. The Commonwealth countries agreed to co-operate closely with other countries and in international organizations for the expansion of multilateral trade. Far-reaching decisions about the removal of import restrictions were announced by the United Kingdom. The Commonwealth countries reaffirmed the importance of existing tariff preferences and Canada announced its intention to bind against increase the preferential rates of duty on a wide range of products of particular interest to the United Kingdom. For its part, the United Kingdom undertook to maintain, as an important part of the preferential system, free and unrestricted entry for nearly all Commonwealth goods. At the Conference emphasis was given to measures to assist in the economic development of the less-developed Commonwealth countries, to the special problems encountered in agricultural trade and the difficulties occasioned by instability of commodity prices. The Conference stressed the desirability of substantially expanding the resources of the IMF and the IBRD. The Commonwealth countries considered the proposals for a European Free Trade Area and urged that the new economic arrangements in Europe should develop along outward-looking and non-restrictive lines.

The Montreal Conference was marked by an intensification and strengthening of Commonwealth relations in the economic field and gave new impetus and direction to international co-operation in trade and economic affairs.

The year saw a substantial strengthening of the gold and dollar reserves of the sterling area and this led to important steps in the dismantling of discriminatory import restrictions in many Commonwealth countries.

In July and August, the United Kingdom removed the discrimination against dollar imports in its licensing arrangements for apples; extended quotas for canned fruits and abolished import controls on industrial chemicals, including many products of importance to Canada. At the Montreal Conference, it announced the removal of restrictions on canned salmon, newsprint and a wide range of machinery items and related products. It also undertook to proceed with the removal of its remaining import restrictions, starting in 1959 with consumer goods and processed foodstuffs.

At the same time, the United Kingdom invited the colonies to liberalize their own dollar restrictions. Late in the year there were indications that a number of colonial territories would shortly remove their controls on many dollar imports. Of particular interest from Canada's point of view were the prospects for further progress in the removal of restrictions by The West Indies, which is one of Canada's major markets for manufactured goods.

In August, Australia eliminated discrimination against the dollar area in respect of capital equipment and machinery, amounting to a further 10 per cent of its total imports, and after the Montreal Conference it announced the removal of discriminatory restrictions on chemicals. New Zealand introduced a new import licensing system, eliminating discrimination on a wide range of products, including a number of items of interest to Canada. Malaya took similar measures and Ceylon removed controls on various consumer goods from the dollar area.

Close attention was devoted during the year to Canada's trade and economic relations with The West Indies. The West Indies Federation came formally into existence on January 1st but the various constituent territories have retained their own customs tariffs and trade regulations until such time as agreement is reached among them on the form of their future economic association. In 1956 The West Indies established a Commission on Trade and Tariffs, under the chairmanship of Sir William Croft, to investigate the problem of establishing a common tariff for the Federation. This Commission submitted its report in October 1958, recommending that a customs union should be brought into being over a five-year period. Among other matters, the report discussed future trade relations between Canada and the Federation and emphasized that the Canada-B.W.I. Trade Agreement was "of vital importance throughout The West Indies".

Canada's trade with The West Indies is regulated by the 1926 Trade Agreement, which provides for the exchange of preferential tariff treatment between the two countries. Most of the constituent territories of The West

Indies are also members of the GATT. As progress is made towards a customs union in The West Indies Federation, it will become necessary for The Canada-West Indies Trade Agreement to be revised. At the Montreal Conference, Canada and The West Indies announced their intention to conduct a full review of their future trade relations with the object of improving and strengthening existing trade ties. Preliminary discussions on this matter were planned for 1959. In the field of economic development, Canada announced a \$10 million program of assistance to The West Indies over the next five years, including the provision of two ships for inter-island service.

The Canada-Australia Trade Agreement, which provides for the exchange of preferential tariff treatment, was concluded in 1931 and while frequent consultations have taken place with respect to changes in tariffs and other special matters, both bilaterally and in the GATT, there has been no general re-examination of trade relations between the two countries since that time. At the Montreal Conference, Canada and Australia announced that their Trade Agreement would be reviewed in 1959.

The year 1958 ended with a major step towards the achievement of full currency convertibility. It had been agreed at Montreal that sterling would be made convertible "as soon as the necessary conditions have been achieved". On December 27th, the United Kingdom announced its decision to remove all restrictions on the freedom of non-residents of the sterling area to transfer their sterling holdings to other non-residents for trade purposes. The U.K. decision was taken in conjunction with similar measures by ten other Western European countries in respect of their currencies. These combined moves represent the most important advance in recent years towards the restoration of a freely functioning world-wide system of trade and payments.

### 3. CANADA AND THE UNITED STATES

Canada's trade and economic relations with the United States are of fundamental importance to the Canadian economy. The two countries are each other's best customers and it is in their mutual interest to achieve close and fruitful co-operation in the field of commercial policy.

In the Canadian view, the United States, as the world's leading creditor nation, has special responsibilities for the development of constructive policies for the expansion of multilateral trade and economic progress throughout the world. Through its Trade Agreements program, the United States has contributed significantly to the reduction of trade barriers in the post-war years and, on a reciprocal basis, has substantially lowered its tariffs on a wide range of products of interest to Canada and other countries. The final step in the 15 per cent tariff reductions negotiated by the United States in 1956 came into force in the course of the year. In August 1958, the U.S. Trade Agreements legislation was further extended by Congress, and the U.S. Administration was granted authority, up to June 1962, to enter into



trade agreements and to make tariff reductions of up to one-fifth from present U.S. tariff levels. Accordingly, the United States has announced its readiness to enter into a new round of general tariff negotiations with other countries under the GATT. The United States has indicated that it hopes to use its new authority to lower U.S. tariffs to negotiate reductions in the level of the common tariff to be set up by the European Economic Community. In the field of international finance, the United States made known its support for the proposed increase in the resources of the IMF and of the IBRD, and indicated that legislation to authorize the substantial U.S. subscription involved would be submitted to Congress in 1959.

Canada has welcomed the steps taken by the United States to help strengthen the framework of world trade and payments. There were, however, a number of serious problems in Canada-U.S. relations which caused continued concern throughout the year, in particular the restrictive measures taken by the United States on imports of lead and zinc and crude petroleum, and the effects on Canadian trade of U.S. surplus disposals of agricultural products. In view of the importance of the U.S. market, actions by the United States to restrict imports have far-reaching and adverse consequences in many parts of the world. This is particularly the case with respect to Canada, both because of the heavy dependence of many Canadian industries on the U.S. market, and because of the substantial and continuing deficit in Canada's trade with the United States.

The U.S. Government imposed quota controls on imports of lead and zinc as of October 1st. The threat of action by the United States to curb imports of these metals had existed since 1953, when the U.S. Tariff Commission reported to the President that imports had caused injury to the domestic mining industry. No restrictions were placed on imports at that time, but in 1957 the Tariff Commission, at the request of the U.S. lead and zinc industry, undertook a second escape-clause investigation. In their report, completed in April 1958, three of the Commissioners recommended imposition of the maximum permissible rates of duty, together with quota restrictions. The other three Commissioners recommended the imposition of the high 1930 rates of duty. The Canadian Government indicated to the U.S. Administration its concern at the possibility that barriers might be placed in the way of our exports of lead and zinc. Subsequently, the Administration initiated legislation providing for subsidies to U.S. lead and zinc producers, but this proposal was rejected by Congress in August. In September, the principal producing and consuming countries met to consider possible international measures for dealing with the lead and zinc situation. Following this meeting, President Eisenhower issued a proclamation imposing import quotas on the commodities amounting to 80 per cent of average annual imports in the period 1953 to 1957.

The Canadian Government formally protested to the United States against this action, pointing out the injury it would cause to the Canadian



lead and zinc industry and the effects on exploration and resource development. It was further pointed out that these U.S. restrictions would have the effect of shifting the burden of adjustment to world market conditions onto producers in Canada and other countries while protecting the position of mines in the United States. The Minister of Trade and Commerce, in his address to the Thirteenth Session of the GATT, stated that the U.S. restrictions contradicted the terms and spirit of the Agreement and constituted a serious impairment of benefits and concessions to which Canada was entitled in the U.S. market. Canada has reserved its rights under the GATT. International discussions are continuing on the lead and zinc situation.

Since July, 1957, the United States has exercised voluntary import controls on crude petroleum entering the area east of the Rockies. These import restrictions were extended to the West Coast area in January, 1958. In both areas, markets of substantial importance to the Canadian oil industry were thereby affected.

The United States justifies its oil import restrictions by the argument that oil imports into the United States above a certain level would deter the domestic industry from investing in exploration and development at the rate necessary to the security of the nation's petroleum supply in wartime. Canada does not agree that considerations of U.S. national security are a valid reason for limiting oil imports from Canada. In an emergency the United States would wish to draw on Canadian oil resources, as it did during the Suez crisis when Alberta crude moved to California. The maintenance of oil import restrictions by the United States against Canadian oil cannot fail to discourage exploration and development in Canada, which would be contrary to the security interests of both countries.

Canada has protested formally the application of the Voluntary Oil Import Program to Canadian oil. On January 15, 1958, the Canadian Ambassador delivered to the U.S. Government a Note setting out Canadian objections in some detail. A second Note, reaffirming Canada's stand, was delivered on June 23, 1958.

In the late summer of 1958, the U.S. Administration began considering the revision of the voluntary import program which was due to expire at the end of the year. A proposed revision of the program was published in the Federal Register and comment from the industry was invited. In early December, the situation changed markedly when indications were received that the U.S. Administration was considering a substitute form of control which would be mandatory and which would be imposed by Executive Order. On December 23rd, the United States announced the extension until February 28, 1959, of the voluntary oil import control program. At the year's end, the outlook for Canadian exports of oil to the United States remained uncertain and the developing situation was being closely followed by the Government.

U.S. disposals of agricultural surpluses continued to cause serious concern during 1958, and to raise problems for the export trade of Canada and other

countries. The views of the Canadian Government with regard to U.S. surplus disposal policies were made known to the U.S. Government on repeated occasions, both through direct representations and in international forums, such as the FAO and the GATT.

In the Canadian view, the basis of the problem lies in the agricultural policies which produce the surpluses. Canada recognizes the need, in present circumstances, for the orderly disposal of agricultural surpluses directed to the relief of distress, and to provide for new consumption in connection with the economic development of less-developed countries. Canada provides wheat to Colombo Plan countries for this purpose. In the Canadian view it is essential, however, that surplus disposals should not be permitted to impair normal commercial marketings. Canada has urged the United States to ensure, through the development of appropriate policies and through close consultation with other countries, that the interests of other exporting nations are carefully safeguarded.

In the course of the year the extent of the injury to Canadian export trade arising from U.S. surplus disposals was appreciably reduced. This was due to more effective consultation procedures and to certain modifications in the U.S. barter program. However, changes made in U.S. barter regulations in November, 1958, which appeared likely to re-stimulate barter transactions, caused renewed concern in Canada and resulted in further representations to the U.S. Government.

Apart from the barter program, Canada has protested the "tied-in" sales features of U.S. surplus disposal programs, which require, in some cases, that the recipients of U.S. surpluses should buy additional amounts, for example of wheat, exclusively from the United States.

A new problem in Canadian-U.S. relations came to the fore during the year in connection with the links between Canadian subsidiaries and their parent companies in the United States, and the effect of such links on exports from Canada to Communist China. This matter was raised in the discussions with the U.S. President in his visit to Ottawa in July, 1958. Arrangements were made under which the United States undertook to consider licences to parent companies in the United States on a case-by-case basis, which would relieve them from responsibility, imposed on them under U.S. law, to restrain their subsidiaries from trading with Communist China.

#### 4. CANADA AND WESTERN EUROPE

Events in Western Europe in the commercial policy field during the year were dominated by the establishment of the European Economic Community and by the negotiations for a European Free Trade Area.

The Rome Treaty instituting the European Economic Community came into force on January 1st, 1958 amongst Belgium, Luxembourg, Netherlands, France, Germany and Italy. During the year, the European Common Market set about establishing its institutions and elaborating its policies.

The objective of the Treaty is to create a Customs Union to weld the 165 million people of the six participating countries into a single economic unit within which goods, people, services and capital will ultimately be free to move regardless of national frontiers. The plans call for a period of twelve years to accomplish the task.

Of the two main features of the Customs Union, the first is the free circulation of goods in the Common Market through the abolition of internal tariffs and quantitative restrictions among the Six. On January 1, 1959, the members of the European Common Market were to proceed to the first reduction of tariffs and enlargement of quotas among themselves.

The second main feature of the Customs Union is the adoption of a common external tariff around the Community and the development of a common trade policy towards the outside world. The common external tariff is not expected to be fully formulated before the beginning of 1960, but the Treaty provides, as the general rule for the calculation of the external tariff for most tariff items, the average of the existing tariffs of the Six. The outcome is expected to result in an increase in the current duties of the so-called low tariff countries, Belgium, Luxembourg, and the Netherlands, and will involve reductions of the existing duties of the high-tariff countries, Italy and France, while probably maintaining many of the present duties in the German tariff at roughly the same levels. However, for a number of important items, including such traditional Canadian exports as lumber, pulp, synthetic rubber and aluminum, the common tariff will be fixed through negotiations among the Six. The establishment of the common tariff is to be carried out in three steps through the gradual adjustment of the six tariffs to the level of the common tariff. The first step is scheduled for January 1, 1962, the second for 1966 and the last one at the end of the transition period, possibly in 1970. The proposed common tariff is to be submitted to detailed examination and negotiation under the GATT.

The Rome Treaty also provides a framework for agreed rules of competition in various fields including dumping and restrictive trade practices, economic and social policies, and for a common policy on transport. It envisages the association of the French and Belgian Overseas Territories with the European Common Market, which will enable the producers of the overseas territories to enjoy the benefits of free entry for their products in Europe.

Of particular interest to Canada are the special measures envisaged by the Six in the agricultural sector. It is intended to develop a common agricultural policy and there are provisions for the setting up of minimum prices, state trading and preferential long-term marketing arrangements, among the member countries.

The size of the European common market, and its influence in world trade, explains the importance attached by Canada and other outside countries to ensuring that the new Community should develop non-restrictive policies. The Common Market is one of the fastest developing areas in



the world. It constitutes the largest single trading area in the world, accounting for about 22 per cent of international trade. Its prosperity depends a great deal on foreign trade, since about 15 per cent of its national income is derived from exports. The importance of foreign trade for the Six is also indicated by the fact that, while European production of goods has increased by 52 per cent during the period 1950-57, European imports have almost doubled. It is significant for exporters of raw materials, such as Canada, that some 85 per cent of the Six's imports are composed of industrial raw materials.

Throughout the year, negotiations were carried on in Europe for the creation of a Free Trade Area to be associated with the Customs Union of the Six and to take effect simultaneously with it. The United Kingdom played a leading role in these negotiations. Under the proposed arrangement, all barriers to intra-European trade in industrial goods were to be eliminated. However, in contrast with the European Common Market, the other members of the Free Trade Area would not have adopted a common external tariff but would have retained freedom in regard to their own external tariffs and trade policy in relation to outside countries.

These negotiations proved unsuccessful and were suspended. The impasse in the European Free Trade Area negotiations was due to the impossibility of reconciling the conflicting views of the various countries on basic issues of commercial policy. The Six were anxious to preserve the integrity of their new Community and to avoid the erosion of the commercial advantages embodied in the Rome Treaty. The other European countries and particularly the United Kingdom were anxious to avoid trade discrimination in Europe, but wished to retain their freedom of action vis-a-vis the outside world. The two concepts proved incompatible.

The Canadian government gave its support to the U.K. proposals for the establishment of a Free Trade Area in Europe. This support was postulated on the understanding that the Free Trade Area arrangements would be outward-looking and that agriculture was to be excluded. The United Kingdom gave formal assurances that Commonwealth agricultural interests in the U.K. market would be fully safeguarded. In its capacity of associate member of the OEEC, Canada followed closely the development of the negotiations for a Free Trade Area and from time to time presented views to the negotiating countries on matters of importance to the commercial relations between them and Canada.

## 5. CANADA AND OTHER AREAS

Canada's policy is to expand and develop trade on a commercial basis with all countries. Important trade relations exist with the countries of Latin America, Asia and other parts of the world, and various developments in these areas were of interest from Canada's point of view.



Inside Latin America, where Canada has traditionally close trade and economic ties, proposals were under study for closer economic co-operation among the countries of the area. Concrete steps were taken for the formation of a Free Trade Area among the countries of Central America. In South America, Argentina, Brazil, Chile and Uruguay indicated their intention to proceed with regional trade and payment arrangements and preliminary discussions were held on this subject in the GATT. As primary producing countries in process of rapid economic development, many Latin American countries faced severe exchange difficulties during the year and took steps to safeguard their payments positions through adjustments in their tariffs and import licensing systems. At the end of the year, extensive economic and trade reforms were announced by Argentina, including the elimination of discriminatory import restrictions and the freeing of the Argentine Peso.

Continuing attention was given to trade relations with Japan, one of Canada's major trading partners and her second largest market for wheat. The Japanese Foreign Minister, Mr. Fujiyama, visited Canada in September and his talks with Canadian Ministers provided an opportunity to review trade matters of common interest.

With increased interest in Canada in the possibility of expanding sales to Communist China, trading opportunities were explored by the Canadian Trade Commissioner in Hong Kong. Certain difficulties were faced by Canadian subsidiaries of U.S. firms in relation to exports to Communist China and this matter was taken up by the Canadian government with U.S. authorities. Apart from controls on the export of strategic goods, Canada has no restrictions on trade with Communist China.

Trade relations between Canada and the Soviet Union continued to be regulated by the trade agreement concluded in 1956, which provides for the exchange of most-favoured-nation treatment as well as for guaranteed purchases of Canadian wheat by the Soviet Union. This agreement was due to expire early in 1959 and preliminary discussions were held with Soviet officials looking towards the possibility of a new trade agreement.

## 6. CANADA AND THE GATT

Canada continued to play, throughout 1958, an active role in the work of the Contracting Parties to the General Agreement on Tariffs and Trade. The importance attached to the General Agreement in the conduct of Canadian commercial policy was noted in the statement of the Minister of Trade and Commerce in the House of Commons on July 17:

"We are ready to co-operate with all other trading nations and to seek world-wide solutions for problems that are international in character. We are prepared to support all efforts to remove discrimination and restrictions in trade. For this reason we continue to support the General Agreement on Tariffs and Trade. This international trade treaty receives

the support of some 40 countries which together are responsible for 90 per cent of world trade. It provides an effective instrument for international co-operation and the most appropriate forum where current issues of commercial policy can be considered and dealt with on a world-wide basis in a practical manner."

The Minister of Trade and Commerce again attended a GATT meeting of Ministerial Representatives to discuss major problems of international trade policy.

One of the major issues before Canada and the other Contracting Parties to the General Agreement during 1958 continued to be the implications of the European Economic Community for established international trade relations, and the compatibility of the provisions of the Rome Treaty with the articles of the GATT prescribing conditions for the establishment of customs unions.

Canada has on various occasions in the GATT forum indicated appreciation and sympathy for the broad objectives of the European Economic Community. At the same time, Canada has expressed concern over certain aspects of the Rome Treaty, and stressed the importance of ensuring that the Community's trade policy should develop in a non-restrictive direction. It has been made clear that Canada could not acquiesce in regional arrangements in Europe which intensify restrictions, increase tariffs or aggravate discrimination against our exports.

During the 12th Session in the Fall of 1957, there had been a detailed examination of the Rome Treaty in terms of its compatibility with the GATT. Though this examination went a long way towards clarifying the issues, no solutions were found to the problems posed by the setting up of the Common Market in Europe, and no satisfactory assurances were obtained which would safeguard the trade interests of Canada and other third countries.

In the course of 1958, arrangements for consultations between the Common Market countries and outside countries were developed within the GATT framework. Consultations have already been initiated on the problems posed with respect to certain commodities by the association of the Overseas Territories of France and Belgium with the European Common Market, with a view to preventing damage to outside countries before it occurs. The products discussed so far are: sugar, cocoa, tea, coffee, bananas and tobacco. As a producing country, Canada participated in the consultations on tobacco.

At the 13th Session of the GATT in November, 1958, the Contracting Parties reaffirmed their decision to appraise the Rome Treaty, as it develops, in the light of the provisions and objectives of the GATT. In this connection, one of the major tasks of the Contracting Parties will be an extensive examination of the proposed common tariff of the Community. The objective will be to see if the common tariff maintains the integrity of the former terms of access for imports from outside countries, and to restore the balance if it

has been impaired. Canada has an important and direct interest in this process of examination and negotiation. More than 75 per cent of Canadian exports to the Six enter at rates which have been negotiated and bound against increase and on which there are contractual obligations to Canada under the General Agreement.

The continued maintenance of import restrictions by the Federal Republic of Germany was another major issue for consideration under the GATT during 1958. The General Agreement precludes the use of quantitative restrictions on trade except in clearly defined circumstances. The balance of payments provisions of the Agreement were intended to permit countries to take exceptional measures to safeguard their balance of payments, including the use of quantitative restrictions. However, countries were expected to relax these restrictions as rapidly as possible, and remove them as soon as their balance of payments positions permitted. Failure of countries to comply with these obligations could seriously disturb the balance of rights and obligations under the Agreement.

Accordingly, the failure of Germany to take early steps to remove its import restrictions, once its balance of payments difficulties had been resolved, posed a serious problem for other Contracting Parties. While various steps were taken by Germany to remove controls, restrictions were maintained, and in many cases applied in a discriminatory manner, on a large number of important agricultural products and a number of industrial products. In the course of 1958 the GATT countries examined in detail the reasons given by Germany for maintaining controls and discrimination.

While some further plans for trade liberalization were announced by Germany, the basic problem remained unresolved by the end of the year. Arrangements were made for joint consultations between Germany and other countries early in 1959, and Canada indicated its interest in participating in these further discussions.

A further development of major interest to Canada's international trade relations was the initiative taken under the GATT during 1958 to develop a co-ordinated program of action directed towards the further reduction of barriers to the expansion of international trade.

In the course of Ministerial discussions in the GATT late in 1957, concern had been expressed by various countries regarding a number of trends in international trade. Reference was made to the tendency for trade between the less-developed countries and the industrialized countries to develop less rapidly than international trade as a whole, and to the adverse effects of sharp fluctuations in the prices of primary commodities. Further, various countries raised the question of the widespread use of special protective devices in international agricultural trade. On the basis of these discussions, it was decided to appoint a panel of expert economists to study these and related problems.



The GATT panel of experts which was chaired by Prof. Haberler, reported on the results of its investigations at the 13th GATT Session in the Fall of 1958. The Panel's report provides an intensive study and analysis of the major current problems in world trade. It supports the contention of many of the primary producing countries that the rules and conventions which are at present applied to commercial policy and international trade show a lack of balance unfavourable to their interests. It also points to the desirability of resolving certain special trade problems faced by underdeveloped countries in expanding their exports both of primary commodities and of manufactured goods. The report concludes that unless steps are taken to deal with these issues there is danger that progress in the reduction of tariffs and in the expansion of world trade may suffer a serious setback.

Detailed consideration was given to the experts' report by the GATT countries in the course of the 13th Session. The Contracting Parties decided to launch a new program of trade expansion and to this end set up three special committees. Committee I has as its terms of reference the responsibility for examining the possibility of arranging a further general round of multilateral tariff negotiations, particularly in the light of the U.S. offer to reduce its tariff on a reciprocal basis. Committee II is to review in detail the various measures used by the member countries for the protection of agriculture and the effect of such measures on world trade, and make recommendations on these problems. Committee III is to consider other measures for the expansion of trade, with particular reference to the difficulties faced by the less-developed countries in their exports to other areas. These Committees, of which Canada is a member, were scheduled to hold their initial meetings early in 1959.

Throughout the year close attention was paid to the problems posed for world trade by the widespread use of quantitative restrictions for balance of payments reasons. While substantial progress has been made in recent years in securing the relaxation of these restrictions, and the removal of discrimination against Canada and other dollar suppliers, much remains to be done.

The GATT provides for detailed consultations with countries maintaining balance of payments restrictions. During 1958, such consultations were held with Australia, Ceylon, Ghana, the Federation of Malaya and the Federation of Rhodesia and Nyasaland. At the 13th Session arrangements were made to maintain close scrutiny over the balance of payments import restrictions still being applied by many GATT countries, and to strengthen the consultation procedures with a view to promoting more rapid progress in the elimination of these controls. Under this revised program consultations are to be held during 1959 with 16 countries. Canada will be participating actively in these discussions.



## 7. INTERNATIONAL COMMODITY CONFERENCES AND AGREEMENTS

### Lead and Zinc

An Exploratory Conference on lead and zinc was held under United Nations auspices in London from September 10 to 13, 1958, to examine the necessities for intergovernmental consultation. In the Canadian view, a temporary decline in consumption had occurred in conjunction with the cessation of stockpiling activities, primarily in the United States. Canada also held that the surplus stocks overhanging the world market were largely the result of artificial stimulation of production during the years following the Korean emergency.

The Conference resulted in an invitation to participating countries to study the need for and possibilities of intergovernmental action to counteract the pressure of surpluses, and a Working Committee was organized accordingly. The Canadian Government strongly endorsed the Conference conclusion which condemned unilateral action to impose import restrictions as a means of protecting producers in individual countries.

On September 22, 1958, the President of the United States issued a proclamation which curtailed maximum permissible imports of lead and zinc into the United States from all sources to 80 per cent of the average annual imports from 1953 to 1957.

This action ended a four-year period during which Canadian exporters had faced continuous threats of protective U.S. action. Because of the great importance of the U.S. market to the Canadian industry, these threats prompted the Canadian Government to make strong representations on various occasions. Throughout the period, the Canadian Government had emphasized that restrictions would have an adverse effect on Canada and other friendly nations from a political and economic standpoint; had referred to factors which led Canadian authorities to believe that restrictions were unnecessary and unjustified; and had also indicated that tariff increases or other measures restricting the import of the metals would constitute a serious impairment of benefits accruing to Canada under the trade agreement between Canada and the United States.

Since the application of U.S. import quotas, Canada has again made it clear that it considers the restrictions are unjustifiable; that they are in contravention of the U.S. obligations under GATT whereby U.S. tariffs on these products were negotiated and bound against increase with Canada; that they tend to transfer to other countries, the burden of adjustment to the recent decline in world demand and cessation of U.S. stockpiling; that difficulties faced by U.S. marginal producers arise from the world-wide market decline, and previous stimulation of production, and not because of obligations as regards imports undertaken in the GATT.

In 1957, the U.S. market for Canadian lead and zinc amounted to 305,475 short tons comprised of 52,000 tons of lead and 253,000 tons of zinc valued at \$55 million. This total represented 59 per cent by volume of all Canadian lead and zinc exports, and 51 per cent by volume of total Canadian lead and zinc production. The effect of the U.S. quotas is to restrict the combined 1959 volume to 87 per cent of that in 1957. Thus, opportunities for expansion in the crucial U.S. market have been eliminated. It is expected that some Canadian exporters of concentrates may be seriously affected and even compelled to restrict their operations for a time. Lead shipments, in fact, were stopped for the balance of the fourth quarter on December 9, when import quotas were exhausted.

Following an indication of the views held by various governments interested, the U.N. Secretariat convened a further Lead and Zinc Conference in Geneva from November 6 to 12. The basic questions before the Conference concerned whether short term or long term action was necessary to stabilize lead and zinc production and markets, and whether it was desirable to establish an International Lead and Zinc Study Group.

Informally, and in the course of international discussions, it had become a U.S. objective to promote amongst the major exporting countries—Australia, Mexico and Peru, as well as Canada—an arrangement to limit their exports. This suggestion, initiated in the London Conference, brought disagreement at Geneva. The opposed viewpoints of Canada and the United States were clearly displayed.

The Canadian Government made clear its readiness to participate in any commodity agreement in which all major exporting and importing countries would play their full parts, but indicated it was not prepared to consider arrangements whereby the onus of adjustment would rest only on exporting countries, while protectionist measures, already applied by the United States, were sanctioned.

At year end, the situation was still unresolved.

## **Sugar**

The International Sugar Agreement, which came into operation January 1, 1954, expired on December 31, 1958. In September and October, 1958, representatives of forty-four countries met in Geneva and successfully negotiated a new International Sugar Agreement, effective January 1, 1959, to run to December 31, 1963. The Canadian delegation consisted of officials from various Federal Departments of Government under the leadership of a senior official of this Department.

The general objectives of the Agreement are to assure supplies of sugar to importing countries, and markets for sugar to exporting countries, at equitable and stable prices; and, by these and other means, to facilitate steady increases in the consumption of sugar and corresponding increases in the supply of sugar, to contribute to the improvement of the living conditions of consumers throughout the world; and to assist in the maintenance

of the purchasing power in world markets of producing countries or areas, and especially those whose economies are largely dependent upon the production or export of sugar, by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages; and, in general, to further international co-operation in connection with world sugar problems.

The Agreement provides for a system of quotas for export of sugar by exporting countries. Such quotas may be reduced or increased within limits according to the price range provided in the Agreement. The responsibility for enforcing the export quotas lies with each member exporting country.

Of the various provisions in the Agreement, the principal obligations affecting Canada, as a net importer, are requirements to furnish regularly statistical and other information, particularly with reference to imports, exports, production and consumption of sugar, changes of tariff, etc. Imports of sugar from countries which do not participate in the Agreement are restricted, except under specific provisions.

Whereas twenty-six countries participated in the first Agreement, thirty-four countries, including all of the major exporters and importers of sugar, have signified their intention to participate in the new one.

## Tin

The International Tin Agreement came into force on July 1, 1956. By December 1957, owing to decline in consumption and pressure of surplus metal on prices, it became necessary for the International Tin Council to arrange for exports from producing countries to be restricted to 27,000 tons for the period December 15, 1957 to March 14, 1958. This represented a reduction of 28.5 per cent from the overall rate of the signatories' production in the twelve months ended September 30, 1957. A further extension of quota restrictions to March 31 raised the rate of restriction to 47 per cent. A 40 per cent cut applied in the second and third quarters of 1958, with 48 per cent for the final quarter.

Russian sales of tin in the United Kingdom and other Western European markets played a big part in depressing markets in 1958. From a 1957 total of 11,000 tons, they rose to 20,000 tons during 1958. In recognition of the increasing role of the U.S.S.R. in tin trading, the Council invited the Soviet Union to become a participant in the International Tin Agreement.

At its June meeting the Council, in the absence of any Russian decision, passed a resolution asking importing members to take action to limit the threat from Russian sales to the continued effective operation of the Agreement. The United Kingdom imposed quotas on imports of Russian tin in August. Similar action was taken by the Netherlands and Denmark.

Pressure from Russian exports became particularly important and apparent during August. Up to mid-September, the market was generally held above the £730 per ton level set as the floor price in the Agreement,



but quite frequently it was down to this level necessitating support by Buffer Stock buying. After ordinary Buffer Stock financial resources had been exhausted, it became necessary to raise special funds in order to maintain the price floor. Despite the efforts of producers to limit their exports and maintain the floor price through these monetary contributions, eventually Buffer Stock support collapsed and the London Metal Exchange suspended trading in tin on September 18. At this point prices dropped to £641 but confidence was re-established by action taken to control imports. By the end of September prices recovered to the £730 level.

In September at the Commonwealth Trade and Economic Conference, Governments expressed deep concern that the International Tin Agreement should survive and succeed, and stated that they would be prepared to consult together about appropriate measures to strengthen it.

In October, Canada imposed import controls on tin, and subjected imports originating in countries not members of the Agreement to individual permit control.

As a counter proposal to the suggestion that it join the Agreement, the U.S.S.R. first proposed to attend the meetings of the Tin Council as an observer. This was rejected by the Council whose Chairman was requested to discuss with the U.S.S.R. possibilities of a satisfactory arrangement whereby the U.S.S.R. would limit its tin exports to Western countries to a reasonable level during 1959. The United Kingdom and other European countries undertook to lift their restrictions against tin imports from the U.S.S.R. if such arrangements were made. The U.S.S.R. finally undertook to restrict its exports to Western countries to a total of 13,500 tons during 1959.

## **Wheat**

At its Twenty-fourth Session held in London in June 1958, the International Wheat Council, of which Canada is an original member, unanimously resolved to request the Secretary-General of the United Nations to invite member countries of the International Wheat Council, the United Nations and its Specialized Agencies, and any other interested governments, to an international conference for the renewal or replacement of the International Wheat Agreement of 1956, due to expire on July 31, 1959.

At its London Session, the Council had before it the Report of the Third Session of the FAO Group on Grains. The Group, after eighteen months' study and discussion, had laid the groundwork for such a Conference by analysing the principal facts and factors attending the production, consumption and international trade aspects of current world grain problems, including wheat. It was, therefore, agreed that this FAO Report should be circulated to all interested governments so that they might be briefed on current world wheat problems in advance of the U.N. Wheat Conference thereby facilitating effective discussion based on agreed facts.



It was the general expectation that in the light of this Report, governments might be able to agree to a widening of the terms of reference of the present Agreement, which would authorize it to deal effectively with pressing world wheat problems; and that the United Kingdom, which had been an active participant in the FAO Grains Group, might be interested in adhering to the new Agreement.

The terms of reference of the U.N. Wheat Conference were "to discuss measures designed to meet all special difficulties which exist or are expected to arise concerning wheat". The Conference was made up of forty-one member countries, including Canada and nine observer countries. The United Kingdom, which had not been a member of the International Wheat Agreement since 1953, was an active participant. Arrangements were made whereby the Conference would be divided into two Sessions.

The First Session, which opened at Geneva on October 28, 1958, was of a preliminary character to explore the type, scope and content of a new Agreement which would help meet the needs of the present world wheat situation. This Session, which closed on November 6, appointed a Preparatory Committee to examine the proposals put forward and to advance these into more concrete form as operational clauses which might be included in a new Agreement.

The Preparatory Committee, to which Canada was appointed, met in London from November 11 to 21 and prepared a report for the consideration of participating governments prior to the Second Session of the Conference which was scheduled to convene in Geneva on January 26, 1959. The Report of the Preparatory Committee included proposals designed to bring a larger proportion of the world trade in wheat within the scope of the Agreement and to authorize the new Council, by promoting or affording opportunities for intergovernmental discussions or consultations, to exert a moderating influence on the harmful international effects of national wheat policies.

## 8. CANADIAN FOREIGN AID PROGRAMS

Throughout 1958 Canada participated with other countries in extending economic and technical assistance to the emerging countries of the Commonwealth and South-East Asia. Canadian aid was provided under the following headings:

- (a) the Colombo Plan;
- (b) the Canada-West Indies Assistance Program;
- (c) the Canada-Ghana Assistance Program;
- (d) assistance to other Commonwealth countries;
- (e) contributions to United Nations, or other agency, programs;
- (f) special grants;
- (g) loans.

Functionally, Canadian aid took two forms. As capital assistance, it involved goods and services. As technical co-operation, it embraced the schooling in Canada of trainees from abroad, and the supplying of Canadian experts to advise and instruct overseas.

To support the first three of these various programs during 1958, Parliament voted \$35 million for the Colombo Plan, \$1,475,000 for the Canada-West Indies Program, and \$135,000 for the Canada-Ghana Program. Additional monies were separately earmarked for Canadian aid for United Nations and other programs.

At the Commonwealth Conference at Montreal in September, the Government announced that Parliament would be asked to increase these amounts in 1959, to \$50 million for the Colombo Plan, \$10 million over five years for The West Indies, \$500,000 for assistance to African countries, and an amount of approximately \$1 million for a Commonwealth Scholarship Plan that is to be developed.

### The Colombo Plan

This provides for assistance to Commonwealth and non-Commonwealth countries in South and South-East Asia. Its Consultative Committee, which meets annually to discuss progress and consider future plans, met in November 1958, at Seattle, Washington.

At a Committee meeting held in Singapore in 1955, the life of the Plan was extended from July 1957 to June 1961; next year's meeting, likely to be held in Indonesia, will give renewed consideration to the future.

Canada contributed *capital assistance* as follows:

*India:* With \$21.5 million allocated to projects during 1958, Canada's assistance showed a marked increase over previous annual contributions. Total assistance extended to India, to date, is a little over the \$100 million mark.

Major allocations included \$3.5 million to the Kundah Hydro-Electric Scheme to complete the financing of this project at a total of \$23.5 million; \$10.8 million for aluminum and copper to help maintain the productivity of India's industries and overcome the shortage of foreign exchange; \$3 million for creosoted railway ties for the maintenance of her transportation systems; \$2 million for the continuing construction of the Canada-India Atomic Reactor; and \$2 million for wheat to help overcome the critical shortage of food.

While no major construction projects were completed, the year's activities witnessed the continuing construction of the Kundah project on schedule, slow but satisfactory progress in the construction of the Canada-India Atomic Reactor, the shipment of the balance of the diesel generating units and their spare parts for the electrification of rural areas, and the supply of 14 thousand long tons of copper and aluminum, and over 4 million bushels of wheat.

*Pakistan:* Canada's assistance continued to be largely concerned in the development and transmission of electric power, and now totals \$71.5 millions.

During the year major allocations involved \$9 million for the continuing construction of the Warsak Hydro-Electric and Irrigation Scheme; \$1.6 million for the Dacca-Chittagong Transmission Line Project; \$1 million for the Bhermara Kushtia Transmission Link; \$1 million for the Shadiwal Hydro-Electric Power Scheme; \$2 million for wheat and \$155,000 for an extension of the Aerial Photographic Resources Survey.

Most difficulties at Warsak are now overcome and construction is progressing in a very satisfactory manner. The first two generating units will be installed and ready for operation by March 1960. The Ganges-Kobadak Thermal Electric Project was completed and is ready for turning over to Pakistan authorities. The Dacca-Chittagong Transmission Line is progressing in a satisfactory manner and Pakistan constructors started erection and stringing the lines in October. The first generating unit of the Shadiwal Hydro-Electric Project should be in operation early in 1960 and the Aerial Resources Survey, extended to include further detail, will now be finished early in 1959.

*Ceylon:* 1958 allocations remained at the annual \$2 million level, bringing total assistance extended to date to \$12 millions. While an allocation of \$1 million to flour consumed half this annual contribution, eight other projects were also financed, the chief items being an extension of the Gal-Oya Transmission Line, an extension of the Aerial Survey of Ceylon, and an addition to the supply of equipment for the School of Practical Technology at Katubedde.

This year's activities saw the shipment of all irrigation equipment on order; satisfactory progress in the construction of the Gal-Oya Transmission Line; the shipment of equipment for the Pest Control Project and equipment for the Agricultural Machinery Maintenance Project; completion of the supply and erection of the Colombo Harbor cranes; satisfactory progress in the Aerial Photographic Survey; the supply of the last two diesel electric locomotives on order, (bringing to 10 the total now supplied), and the shipment of some 12 thousand long tons of flour.

*Burma:* While two or three larger projects are under consideration, 1958 allocations were merely concerned with the supply of equipment for the Agricultural Machinery Maintenance Scheme and the sending of a team of highway consultants to survey Burma's road systems and make recommendations for their maintenance and improvement.

Shipment of the equipment for the Rangoon Technical School was completed and the equipment for the Fisheries Development Scheme and the Agricultural Machinery Maintenance Scheme was delivered.



*Malaya:* The results of the Aerial Survey, successfully completed in 1957 at a cost of \$200,000 are still under consideration. While three other small projects have been approved, bringing Canada's contributions to a total of \$209,000, these were merely for text books and small tools.

*Cambodia:* As a first major contribution, Canada undertook to finance the provision of a fish dryer and cooling room costing approximately \$50,000.

*Singapore:* Following the \$50,000 grant in 1957, to supply equipment for the Singapore Polytechnic Institute, the only other project undertaken to date is for the supply of maps, minerals and library books for the University of Malaya at Singapore. Shipments for these two projects were both completed during 1958.

*Technical assistance* was supplied as follows:

*India:* Three experts were sent, including a senior mining economist who surveyed mining fields in the States of Bihar and Orissa for the Indian Bureau of Mines, and thirty-one Indians received training in Canada.

*Pakistan:* An aircraft maintenance instructor was recruited for the workshop of the aerial wing of the Central Department of Plant Protection. The workshop was originally set up by a Canadian Colombo Plan expert to service aircraft for plant spraying supplied through the capital assistance program. A power house engineer who went to Pakistan in 1956 returned this year, having completed an assignment at the Daud Khel Cement Plant, a project developed by Canada under capital assistance. Two Pakistani engineers employed on the project returned home after training in Canada. Two Pakistani engineers employed on the Warsak Project were brought to Canada to study the operation of hydro-electric generating stations with the Hydro-Electric Power Commission of Ontario. More than thirty trainees were brought to Canada for study in other fields during the year.

*Ceylon:* Replacements were found for the Director of the Ceylon Fisheries Project and two fisheries experts, whose Colombo Plan assignments had expired. Sixteen Ceylonese were trained in Canada in various fields of study.

*Burma:* Two experts were sent to Burma to join the team working on the Cobalt Therapy Unit supplied last year under capital assistance; a Burmese radiotherapist completed a year's training in Canada and returned to work with the Unit. Two agricultural experts took up assignments in Rangoon and 24 trainees were brought to Canada for study in various branches of engineering and in mining, economics and accounting. With the co-operation of the Canadian Wheat Board, a tour was arranged for a mission of three officials from the Burmese State Agricultural Marketing Board, to observe all aspects of wheat marketing in Canada.



*Malaya and Singapore:* The services of a senior consultant from the Ontario Department of Planning and Development were made available to advise on formulating and carrying out industrial development programs being planned by those countries.

*Sarawak and North Borneo:* A fourth expert in education was sent to Sarawak to join the team of Canadians already there under the Colombo Plan, to assist in general expansion of primary and secondary education. A program in radio broadcasting was arranged for a trainee.

Four trainees from North Borneo studied accountancy, geology and teacher training in Canada, the first to come from the Colony.

*Indonesia:* A pilot and two radio instructors for the Indonesian air academy were supplied to aid in the development of Indonesian airlines being carried out with the assistance of the International Civil Aviation Organization. Recruitment of five more aviation experts was underway at the end of the year. An official from the Department of Civil Aviation at Djakarta was brought to Canada for training in international air law. Approximately forty other Indonesians received training in various fields in Canada during 1958.

*Cambodia, Laos, Vietnam and Thailand:* Training programs were arranged for thirty-seven trainees in forestry, engineering, agriculture, nursing, public health, commerce, public administration and international air law. The greatest number were from South Vietnam and included a group of twenty-seven students for a five-month course in the maintenance of agricultural machinery, under the guidance of the Faculty of Agriculture of Laval University.

*Philippines:* The first Colombo Plan trainee arrived for a course in radiology.

### **Canada-West Indies Assistance Program**

The appropriations for 1958 provided \$1,475,000. Of this, \$1,250,000 was for capital assistance and represented the initial instalment toward the supply by Canada of two ships for the West Indies Inter-Island Service. Following a conference at Port-of-Spain to determine the requirements and capabilities of such ships, steps were taken to develop preliminary plans which will form the basis for further discussions.

In 1959, Parliament will be asked to provide \$10 million over a five-year period for assistance to The West Indies as a whole. While other projects are now being given consideration, decisions concerning them will depend largely on the ultimate cost of the ships.

For technical co-operation, \$215,000 was voted for 1958. With these monies, seven senior experts were recruited for advisory assignments. One of these was the retired Dominion Statistician who spent some months as

advisor in the setting up of a statistical centre for the Federation. Four additional experts were being recruited at the end of the year. One trainee came to Canada and courses are being arranged for a number of others expected in 1959.

### **Canada-Ghana Assistance Program**

For 1958, \$135,000 was appropriated. Efforts to date have involved technical co-operation. Two experts were supplied to Ghana, and arrangements were underway for a number of others to be sent. Academic courses in agriculture and medicine were provided for three undergraduate students, and programs were being worked out for a number of other Ghanians to come to Canada in 1959.

### **Assistance to other Commonwealth Nations**

Following the announcement made by the Government at the Trade and Economic Conference of Commonwealth Countries held at Montreal in September 1958, Parliament will be asked, in 1959, to vote \$500,000 for economic and technical assistance to Commonwealth countries other than those eligible for assistance under the Colombo Plan or the West Indies Assistance Program. Aid to Ghana in 1959 is expected to be financed from this source.

### **Contributions to United Nations and Other Agencies**

The volume of requests from the United Nations and its specialized agencies was somewhat higher than for the past two or three years. Training courses in Canada arranged for the United States International Co-operation Administration doubled.

There were 129 Canadians serving abroad with the United Nations and its specialized agencies in approximately 35 countries at the commencement of 1958 and recruitment on behalf of these agencies continued during the year.

### **Special Grants and Loans**

In addition to the assistance extended by the Colombo Plan and other Aid Programs, Canada makes special grants to assist in circumstances beyond the scope of these programs, such as flood relief, or famine. The aid supplied usually takes the form of shipments of wheat and flour.

Occasions have arisen where some of these countries have requested loan assistance to tide over periods of shortage, and the monies provided have usually been used for the purchase of wheat and flour.

**Part II**  
**Work of the Department**





## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, but did not function until December 5, 1892, when an Order-in-Council to this effect was passed.

It came into being at that time because, as Sir John A. Macdonald put it, "the Government has come to the conclusion that with the rapidly and largely increasing trade of Canada . . . it is necessary . . . that there should be a Minister whose time and energy should be applied to trade matters." Businessmen needed assistance in developing trade; the special kind of assistance which could only be supplied effectively by a government department.

Trade and Commerce supplies a wide range of services to Canadian businessmen. Its functions can be classified under five headings:

- (1) *Trade promotion.* The Department is exclusively charged with developing and maintaining Canada's foreign trade.
- (2) *Trade control.* The Department is responsible for the control of imports and exports under statutory authority.
- (3) *Administrative duties* which arise out of, or are allied to, its activities in trade promotion and trade control.
- (4) *Domestic duties*, in the field of weights and measures, census and statistics, and others that encourage or facilitate domestic trade and industry.
- (5) *Delegated duties.* These are responsibilities of the Minister which have been delegated to crown companies, commissions, boards and agencies, because the duties are so specialized they are best discharged by autonomous entities. (The names of these organizations are set out in Appendix "H").

The Minister of Trade and Commerce is accountable to Parliament for a wide variety of legislation, a list of which appears in Appendix "A".

During 1958, the only legislation sponsored in the House of Commons by the Department was an amendment to the Prairie Grain Advance Payments Act, amended by Chapter 16, 1958.

## ADMINISTRATION BRANCH

The provision of administrative services to all operating units of the Department is the responsibility of the Comptroller-Secretary. His Branch comprises four Divisions—Personnel, Office Services, Library, and Financial Services. Additionally, the Comptroller-Secretary is the co-ordinator of returns to Parliament required of this Department and associated Crown Agencies, and maintains liaison with the Privy Council, Treasury Board, Civil Service Commission, Department of Public Works, Clerk of the House of Commons, and the Clerk of the Senate.

During 1958 several changes occurred at the most senior levels of the Department. Mr. John H. English was appointed Deputy Minister to replace Mr. Mitchell W. Sharp, who resigned. Mr. James A. Roberts was appointed Associate Deputy Minister. Two Assistant Deputy Ministers were appointed, Mr. H. Leslie Brown (Trade Promotion) and Mr. J. H. Warren (Trade Policy). Dr. C. M. Isbister, former Assistant Deputy Minister, transferred to the Department of Finance.

On December 1, Dr. Orvill E. Ault, formerly with the Civil Service Commission, assumed responsibility as Director, International Economic and Technical Co-operation Branch, succeeding Mr. Nik Cavell, who had been appointed High Commissioner for Canada in Ceylon.

Two new departmental units were created. The Small Business Branch was organized to implement Government policy with respect to aiding small business establishments, and the Trade Fairs Abroad Office was set up to co-ordinate departmental activity in this increasingly important field.

Late in October the Department was moved from Number 1 Temporary Building across Wellington Street to its own new permanent building, designated "Trade and Commerce Building".

### Personnel Division

This division provides advice on personnel policy and human relations problems; acts as a control arm in ensuring compliance with established policy; provides personnel services to the Branches and to individual employees through interpretation of policy, legislation and regulations; assists employees with personal problems and maintains liaison with the central personnel agencies.

Under the Division Chief, responsibility is divided functionally in respect of organization and establishment, pay, leave and attendance, hospital medical service plans, superannuation, training and welfare, and by organizational grouping in respect of personal services and development. The Supervisor of the Central Transcription Service and the Chief Librarian report to the Chief of the Personnel Division.

Appendix "B" tabulates the distribution of departmental staff.

## Office Services Division

This division was formed in August, 1958 by the amalgamation of two former divisions: Records, and Equipment and Stationery. The intent of the union is to develop and utilize to the maximum the combined resources of the division to provide office services for all Branches of the Department.

In addition to the problems of an organizational nature usually associated with a change of this kind, much time and effort was devoted to planning and directing the transfer of the departmental headquarters to the new Trade and Commerce Building.

The division consists of three major segments. *Duplicating and Printing Section* provides an essential service in the printing of press releases, special memoranda, leaflets, and the printing of indexes of various kinds. *Equipment and Stationery Section* is responsible for procuring, storing and issuing the printing, stationery, equipment and furniture required. Office accommodation and maintenance, communications services such as telephone and intercom systems and buzzer installations, are other services. *Records Section* provides records, mail and messenger service to Branches at Ottawa, through the main units in Trade and Commerce Building or the branch registries attached to the Standards and Exhibition Branches. It is responsible for the custody and maintenance of the departmental files. A considerable number of old records were discarded or transferred to the Public Archives.

## Library

The library provides members of the Department with current printed or source material on subjects related to their various fields of interest. Selection, acquisition, recording, indexing, circulation and retention comprise the many operations involved in dealing with its collection.

## Financial Section

The Financial Section has administrative responsibility for preparing requests for funds and for controlling expenditures.

Estimates were drawn up for each Branch, analysed for soundness, and presented to the Deputy Minister and the Minister for consideration prior to submission to Treasury Board and Parliament. Expenditures were controlled throughout the year by analysis of the necessity and reasonableness of each undertaking prior to commitment, and again afterwards when accounts were submitted.

Continuous liaison was maintained with the Department of Finance in order to ensure that departmental practices were in accordance with government policy.

Appendix "C" contains a summary of the Department's expenditure and revenue for the year ending March 31, 1958; and comparative statements of expenditure, and statements of revenue, for the fiscal years 1955-56, to 1957-58.



## AGRICULTURE AND FISHERIES BRANCH

The prime function of this Branch is to promote and assist trade in agricultural and fisheries products. Since other federal departments and government agencies such as the Department of Agriculture, the Department of Fisheries, and the Canadian Wheat Board have a direct interest in exports, therefore a close and effective liaison is maintained with them. The Branch is also concerned with the programming, reviewing and disseminating of information on agriculture and fisheries in foreign countries to interested government departments and boards, and to the trade.

Agricultural and fisheries products account for a large proportion of Canada's total trade and, therefore, the Department is vitally interested in government policy and decisions affecting trade in these products. The Branch is frequently called upon to advise on these matters and, to this end, must keep abreast of developments in the Canadian industries concerned.

It is characteristic of international trade in agricultural and fisheries products that it is subjected to a considerable degree of government supervision including health and sanitary regulations, grading and labelling requirements, and other related matters. Additionally, most countries restrict imports of agricultural products in one form or another and in many cases purchasing is done directly by government agencies. As a result, a large proportion of the duties of Branch officers concern processing trade enquiries, assisting firms in finding markets, and acting as liaison between the Department's Trade Commissioners abroad and various federal departments in overcoming problems connected with trade.

In many instances, the Branch is involved in duties outside the sphere of normal trade promotion activities. By virtue of direct government interest in the marketing of Western grain through the Canadian Wheat Board, it becomes directly concerned with domestic marketing problems and policies, including the preparation of necessary legislative measures, as well as being closely involved with respect to export sales of these grains, including flour.

During 1958, the Department again supervised the marketing activities of the Newfoundland Associated Fish Exporters, and in co-operation with the federal Department of Fisheries administered the various functions of the Newfoundland Fisheries Board.

The Branch provided a Chairman and a Secretary for the recently-formed Canadian Fur Council, organized to co-ordinate activities of the various provincial and federal government departments in matters of joint concern, particularly those relating to the marketing and promotion of Canadian furs.

The growing importance of international co-operation in trade in agricultural products gave rise to increased activity in this field. Of particular



interest were such organizations as the International Sugar Council, International Wheat Council, Food and Agriculture Organization of the United Nations Commodity Study Groups, and others. The Branch provided delegates for meetings of these organizations.

Interdepartmental committees formed the basis for co-operation with other federal departments. However, a day-to-day contact was maintained with officers of other departments, ensuring an effective liaison on problems of joint concern, as well as providing a valuable exchange of information.

Branch officers also worked closely with various trade organizations and were frequently called upon to render assistance. Officers were, on occasion, asked to address annual meetings of these associations or to participate in committee meetings. Senior officers, from time to time, addressed meetings of agricultural organizations in the United States. Efforts were made to maintain personal working relationships with the exporting firms in the agriculture and fisheries fields and to interest other likely firms in the export market, through industry tours and visits to association meetings.

Trade fair activity was an important means of stimulating exports and a painless means of introducing new firms to the export markets. This Branch assisted in organizing agricultural and fishery displays in a number of trade fairs abroad, and undertook a specialized program of fur promotion in Europe.

Trade Commissioners abroad were kept abreast of developments in the Canadian agriculture and fisheries industries by means of newsletters. Although emphasis was placed on the supply situation of products as it related to trade, newsletters were also used to keep Trade Commissioners informed on other matters of interest.

The Branch maintained an extensive foreign reporting service based largely on reports received from Trade Commissioners abroad. This information was collated and distributed as required to the Canadian Wheat Board, the Department of Agriculture, the Department of Fisheries, the Dominion Bureau of Statistics, and other interested departments and boards both federal and provincial. Special reports were provided at the request of trade organizations and for commercial intelligence purposes. Every endeavour was made to keep the Canadian agricultural and fisheries industries informed on developments in foreign countries that were likely to affect trade.

Another phase of activity were those duties concerned with market development and market analysis. Studies were made of various markets to determine trade possibilities and present export outlets were checked from time to time so as to keep abreast of any significant developments in these markets.

## CANADIAN GOVERNMENT EXHIBITION COMMISSION

The Canadian Government Exhibition Commission is responsible for the organization and administration of all Canadian exhibits in fairs and exhibitions abroad in which the Canadian Government decides to participate. In addition, the Commission endeavours to advise private exhibitors and their agents on the best means of displaying their Canadian products in overseas fairs. The Commission is also responsible for any international fairs and exhibitions held in Canada under the sponsorship of the Government.

Facilities include head office and workshop in Ottawa, as well as a small branch establishment in the United Kingdom.

In 1958, Canada participated in fairs and exhibitions in the following countries: Austria, Belgium, Germany, Japan, Italy, Mexico, Poland, South Africa, Switzerland, United Kingdom, Northern Ireland, and United States. In addition, fur salons were organized in Paris, Vienna, Frankfurt, Grindelwald (Switzerland), and Milan.

During the year the following departments and agencies of government used the Exhibition Commission's services: Agriculture, Citizenship and Immigration, External Affairs, Labour, National Defence, National Health and Welfare, Northern Affairs and National Resources, Post Office, Trade and Commerce, Transport; and Atomic Energy of Canada Limited, Canadian Government Travel Bureau, National Gallery of Canada, National Harbours Board.

The Exhibition Commission completed 118 projects in 1958. An additional 10 were in various stages of construction at the end of the year. Of the 118 projects completed, 24 could be classified as major exhibits, including the Canadian Pavilion at the Brussels Universal and International Exhibition, 1958. (This latter is treated separately in Appendix "E"). The remainder of the projects represented a variety of miscellaneous undertakings, including the production of small display units, pamphlet racks, etc.; mounting and framing maps, silk screens, photographs; production of murals and models.

Owing to Canada's participation in the Universal and International Exhibition, Brussels, and an increasing volume of overseas exhibits which have priority over domestic events, the production of displays for domestic requirements had to be curtailed.

Among the heavier projects this year were the Canadian exhibit at the Rand Easter Show, Johannesburg, South Africa, and the Canadian Trade Fairs in The West Indies.

For Rand, a pavilion was designed at the Commission's headquarters and constructed on site at Johannesburg by a South African contractor. It provided some 4,200 square feet of inside space with approximately 3,500 square feet outside. A broad range of Canadian products was exhibited.

The Canadian Trade Fairs in The West Indies, scheduled to take place in Kingston, Jamaica, and Port-of-Spain, Trinidad, in January and February, 1959, respectively, were brought to the degree of completion required by the end of 1958. Inasmuch as these particular shows are being organized from the ground up independently of any local fair, and space is being rented to Canadian exhibitors, they are the first of their kind undertaken overseas by the Canadian Government.

Using a geodesic dome as the focal point to house institutional and service exhibitors, the Exhibition Commission will build outside standard 10' x 10' booths of light metal and canvas construction to accommodate exhibitors of a wide range of consumer and industrial goods. It is anticipated there will be 93 exhibitors in Kingston and 112 exhibitors in Port-of-Spain. To attract as large an audience as possible for the exhibitors, live Canadian entertainment is being arranged, along with Canadian films and fashion shows, all of which will take place in an outdoor entertainment area.

Good use was made of the Commission's facilities in London. Many small displays were made up from existing material and displayed in the United Kingdom. Considerable economies were effected in re-using existing material stored in London for major shows such as Rand Easter Show, Frankfurt Fur Show, Frankfurt International Fair. The London staff assisted in the on-site operations of our European displays, including the Canadian Pavilion at Brussels, and were fully responsible for three shows put on in the United Kingdom.

During the year an organizational study of the Exhibition Commission was undertaken by the Operation and Methods Service of the Civil Service Commission and at year's end a report was being prepared.

A review in chronological order of the major projects sponsored, first, by the Department of Trade and Commerce, and second, by other government departments, is appended as Appendix "D".

## COMMODITIES BRANCH

The Commodities Branch has a variety of functions. Its first concern is its contribution to the active trade promotion programs of the Department. It also has important administrative responsibilities. In large part, its role is one of liaison with industry and the developing of information required for the various trade promotion purposes of the Department.

The Branch is organized in six divisions. Five of these—the Chemicals Division, Consumer Goods Division, Engineering and Equipment Division, Forest Products Division, and Metals and Minerals Division—in their fields of specialization are active in gathering, collating and distributing commercial intelligence essential to the operation of other Branches of the Department and, in particular, the Trade Commissioner Service. In many other ways as well they seek to foster the interests of industries which they serve.



The sixth division is the Transportation and Trade Services Division which deals with transportation matters as they affect trade but also has important administrative functions. These latter include attention to international arrangements for control of strategic materials, administration of the Export Permits Act, and administration within Canada of the United Kingdom Token Import Scheme and the West Indies Trade Liberalization Plan.

The five commodity divisions have certain functions in common. Through their Commodity Officers, contacts with Canadian industry are continuously renewed and extended. Commercial intelligence is developed and applied. Changes in business conditions are studied to detect changes in demand for the Department's services and new opportunities for trade development. The trade promotion organization of the Department is alerted to new needs as they arise. Information obtained by Commodity Officers is primarily for use by Trade Commissioners in their posts abroad. There is also a flow of information developed by Trade Commissioners abroad which is relayed to Canadian exporters. Industry is made aware of the various services available from the Department and knowledge of industries' problems is acquired. Working in conjunction with export departments in industry and trade associations, future trade promotion activities are planned. Over and beyond these common functions, the work of the divisions varies considerably with their respective fields of specialization.

An important change in Branch organization was made early in the year when the Engineering and Equipment Division, and the Metals and Minerals Division were formed to replace the former Machinery and Metals Division. This step permitted closer concentration on the increasing problems and demands for services in these fields.

After years of scarcity conditions and high levels of demand in many markets, the swift transition to free supply conditions made adjustment difficult for producing industries. This was reflected in demands for reassessment of the necessity for strategic controls of metals, and in activity in international conferences to deal with world market problems concerning copper, lead and zinc, under the auspices of the United Nations in London; with problems of adjustments to the European Common Market in Geneva; and with revisions to strategic classification of metals and minerals in Paris. In all these conferences, staff of the Metals and Minerals Division participated.

Reductions in defence and defence supporting projects, and the pause in Canadian economic expansion, provided a fresh stimulus to the engineering industry's interest in foreign business opportunities to keep their business organizations together. The new Engineering and Equipment Division assisted consulting engineering firms, manufacturers and contractors with plans for foreign projects and calls for tenders for equipment all for construction and direction abroad. Active liaison with industry began to develop in the atomic energy field. The Division sent a representative to the Second International Conference on the Peaceful Uses of Atomic Energy held in



Geneva in September. Technical papers on export opportunities and the assistance available from the Division were presented at the annual meetings of the Canadian Construction Association, the Engineering Institute of Canada and the Association of Consulting Engineers.

The Commodities Branch had a major role in the Department's trade fair program (reported on elsewhere). For the wide range of fully manufactured goods which are the particular interest of the Consumer Goods Division, experience has shown that exhibits in trade fairs provide a most effective medium for promotion abroad. In the initial planning of the program there is active liaison with interested industries. Developing the product content of departmental exhibits is largely undertaken by Commodity Officers. Staff of the Commodity Divisions acted as co-ordinators for eight of these trade exhibits and attended special product displays in six United States specialized trade shows. These activities in connection with trade fairs constituted an important part of the work of the Branch.

The sustained high rate of expansion of the Canadian chemical industry has been in large part based on production for foreign markets. To win recognition abroad for Canada as a new source of supply is a primary concern of the Chemicals Division. For a wide range of products including chemicals, fertilizers, petroleum, pharmaceuticals and explosives, export opportunities for Canadian companies have been actively promoted. The Division also maintains under review developments in the world rubber industry and was responsible for briefing and instructions for the Canadian delegation to the International Rubber Study Group held in Germany in June. Consideration of commercial interests is the concern of the Division in its representation on technical committees dealing with the safety and technical problems in shipping dangerous goods by land, air and water. This Division was also responsible for arrangements to determine Canadian industries' requirements for helium and for the presentation of these to Washington to ensure continued supplies of this scarce and strategic material.

Extensive promotion programs are maintained in support of the forest industries by the Forest Products Division. In the United Kingdom, efforts are concentrated on stimulating interest in use of timber frame construction in the housing field, in close association with the United Kingdom representatives of the strongly organized Canadian lumber manufacturers' associations. In the United States market, the objective is to stimulate interest in Canada as a source of supply of lumber and wood products. For this purpose the Division again organized an exhibit at the annual show of the trade association of the American construction industry held in Chicago. There was, furthermore, a sustained effort to discover and develop demand within the United States for specialty items such as pressed wood products, dowelling and other special shapes as wooden components for supply to the United States industrial markets.

Market surveys were conducted abroad for a variety of finished and semi-finished products leading to the introduction of moulded wood products,

blanks and converted paper products as well as finished items such as fine paper and wallpaper into a number of foreign markets. A great many posts abroad contributed to the preparation of the adequate commercial intelligence in the pulp and paper field which is of such great importance where woods operations must be planned so far in advance of the marketing of final products.

In its commercial intelligence activities, the Branch emphasizes the need for a clear definition of export policy on the part of firms which receive assistance from the Department. This is particularly the case where control over export business of subsidiary companies operating in Canada is exercised from abroad; otherwise, the possibility may arise for foreign companies to become the beneficiaries of trade promotion activities undertaken on behalf of subsidiary companies in Canada. This need is recognized and the type of confidential information sought is usually supplied readily by firms experienced in using the Department's services. When inquiring regarding company export policy, Commodity Officers seek assurance that freedom to export is given to any subsidiary company receiving assistance through the Department's trade promotion services. Usually such assurance is readily extended. In a number of cases, with the purpose of helping subsidiary companies to gain more export business and a freer hand in developing it, arrangements have been made for executives of their foreign parent companies to be familiarized with the forms of assistance available to Canadian companies. In a number of such instances results have been very rewarding for the subsidiary company.

## ECONOMICS BRANCH

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on specific subjects relating to the general economic situation or to individual industries or to particular commodities as required by government departments.

During 1958 general economic conditions in Canada were kept under review and a number of reports on various aspects of Canada's economic development were prepared, for official use.

In periodic statements on the general outlook, an attempt was made to appraise the principal forces operating in the economy and to interpret their probable effects on economic activity in the period ahead. In some cases these reports were designed for general background use within the Government, while in others they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year as reflected in the shift from recessionary to expansionary tendencies. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. In collaboration with the Grain Division of the Agriculture and Fisheries Branch, analytical work relating to the world market for wheat and other grains was carried forward.

Other features of the general economy to be examined periodically during the year included developments relating to the consumer market and prices, and employment conditions.

The trend of activity in the principal regions of Canada was kept under review, and reports dealing with conditions in regions and specific localities were prepared as required within the Department or elsewhere in the federal services.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. In resource industries attention was focussed upon the effects of reduced world demand for industrial materials. In secondary manufacturing the impact of imports upon the position of Canadian industries was followed closely and various aspects of this subject were given special study. Further research was undertaken relating to the development of Canada's primary iron and steel industry and material on the consumption of rolling mill products by regions was up-dated and published. Work proceeded on background studies dealing with individual Canadian industries and world commodity markets. Material relating to conditions in particular industries or commodity markets was prepared from time to time as required for international meetings or representations from Canadian industry.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programs.

## ENERGY STUDIES BRANCH

The activity of this Branch, which was created in 1957 to continue and expand work relating to energy sources previously carried out in the Economics Branch, increased in scope and variety in 1958.



The main functions of the Branch are to develop systematic records and analyses relating to energy matters; to prepare studies on current energy problems requiring policy decisions in this and other departments and agencies; and to provide information and assistance to the numerous other departments and agencies which are concerned with one or more aspects of energy matters.

As was the case in 1957, current and urgent problems occupied most of the time of the small staff of the Branch in 1958.

The effects of United States oil import restrictions on the Canadian petroleum industry were closely studied. The Director of the Branch visited Washington several times to take part in discussions.

Developments in oil exploration, development, production, refining and transportation were followed. Similarly, developments in the natural gas industry were studied, with particular emphasis on pipe lines, export policy and United States proceedings related to the importation of Canadian natural gas.

In the latter months of the year, the Branch undertook two new tasks: the groundwork was laid for the drafting of legislation to establish a National Energy Board, and studies were inaugurated relating to the problem of negotiation with the United States on the apportionment of the downstream benefits arising from the co-operative development of the Columbia River basin.

As in the past, the work of the Branch necessitated close liaison with other federal government departments and agencies and with provincial agencies. Liaison was also maintained with the oil and gas production, processing and transmission industries, and public and private electrical power utilities. Officers of the Branch called on a number of firms in Central Canada during the year and the Director made a fairly extensive trip to Western Canada, in company with the new Canadian Ambassador to Venezuela. The Director also participated in the World Power Conference, held in Montreal in September. Discussions were held with, and information supplied to, government officials and businessmen from the United Kingdom and other Commonwealth and foreign countries, particularly the United States.

No publications were issued by the Branch during the year, although assistance was given in the preparation of various documents, speeches and articles.

One member of the Branch was on loan to the staff of the Royal Commission on Energy through the year, and other members of the staff of the Branch prepared information for the Commission from time to time on request.



## INDUSTRIAL DEVELOPMENT BRANCH

The Industrial Development Branch co-ordinates the federal government activities in the industrial development field. Assistance is provided to foreign companies interested in establishing plants in this country and to Canadian firms considering expansion or seeking new products to round out their production.

In carrying out these assignments, the Branch works closely with other federal agencies and with provincial, regional, and municipal bodies; also with private development agencies such as railways, banks, power companies, boards of trade, chambers of commerce, and the Canadian Manufacturers' Association.

Direct enquiries received during the year included 550 from 30 foreign countries and 500 from Canadian sources. Approximately 800 foreign and Canadian businessmen were interviewed in Ottawa; in addition, many others consulted with officers of the Branch during business tours by these latter.

### New Establishments

Foreign firms making direct investment in Canadian manufacturing totalled 100; of these 75 were from the United States and 18 from the United Kingdom.

A few examples chosen from the many firms assisted in establishing plants in Canada during the year, will serve to illustrate the wide range of products involved. The Pyle-National Company of Chicago, purchased Steber-Woodhouse Limited, Toronto, as a "going concern"; the new operation will be located at the same address, under the name "Pyle-Steber Limited", will continue manufacturing the Steber-Woodhouse products and add heavier lighting equipment to this line. Daisy Air Rifle Company, a branch of a Plymouth, Michigan firm, has established a plant at Preston, Ontario, to manufacture air rifles and toy guns. Barton Canadian Distillery Limited, a branch of Barton Distilling Company, Chicago, has established a distilling plant in Minnedosa, Manitoba. Potter and Brumfield Canada Limited, a branch of a Princeton, Indiana firm, has established a plant in Guelph, Ontario, to produce electrical relays. Sterling Varnish Company of Canada Limited, a subsidiary of a Swickley, Pennsylvania company, has established a plant in St. Catharines, Ontario, to produce insulating varnishes for the electrical industry. Tapecoat Company of Canada Limited, a branch of an Evanston, Illinois company, has established a plant in Rexdale, Ontario, for the purpose of producing protective tape used in gas distribution systems. Taylor Garage Doors of Canada Limited, a subsidiary of a Detroit, Michigan firm, has established a plant in Windsor, Ontario, to manufacture steel garage

doors. Cleaver-Brooks of Canada Limited, a subsidiary of a Milwaukee, Wisconsin company, has built a plant in Stratford, to manufacture steam and power boilers. Aerofin Corporation (Canada) Limited, a subsidiary of a Syracuse, New York firm, has established a plant in Kingston, Ontario, to manufacture finned coils. Skiltools Limited, a subsidiary of a Chicago, Illinois firm, has set up a plant in Toronto, Ontario, to manufacture electric power tools. Mr. Grant Whitehead of Detroit, Michigan, has established a business in Windsor, Ontario, known as Dace Industries Limited, for the production of air pollution control equipment. Leigh Metal Products Limited, a branch of a Coopersville, Michigan firm, has established a plant in London, Ontario, to manufacture registers, grilles, diffusers, and accessories. H. B. Fuller of Canada Limited, a branch of a Buffalo, New York firm, has established a plant in Winnipeg, Manitoba, to manufacture industrial adhesives. Hygiene Shower Curtain of Canada Limited, a branch of a New York City firm, has established a plant in Toronto, to manufacture shower curtains. B. P. (Canada) Limited, a subsidiary of a London, England company, has set up a refinery in the Montreal area. Fisons (Canada) Limited, a subsidiary of a United Kingdom firm, has purchased Fine Chemicals of Canada Limited, in conjunction with Harrison & Crosfield Limited of Toronto. Westfälische Union Akt. Ges., Germany, has purchased Donald Ropes & Wire Cloth Limited of Hamilton, Ontario. Donato Faini and Figli, a branch of an Italian firm, has established a plant in Stellarton, Nova Scotia, to manufacture yarns and knitted garments.

## Meetings

Officers of the Branch took an active part in the Tenth Annual Conference of the Provincial Governments' Trade and Industry Council, held at Montebello, P.Q. In addition, the Branch was active at the United States' World Trade Fair in New York City; the Montreal International Trade Fair in Montreal, P.Q.; the American Industrial Development Council Meeting in Atlanta, Georgia; and the British Columbia International Trade Fair in Vancouver, B.C. The Branch also participated in a number of special meetings on industrial development.

## Publications

The English and French editions of the *Small Business Manual* were in active demand throughout the year. Eight chapters of the publication *Doing Business in Canada* were revised. There was a continuing demand for *Financing New Industries in Canada*.

The *Industrial Development Bulletin*, which is issued regularly in English and French, gives information, in the main, on new products developed by foreign organizations and available for manufacture in Canada

under licensing and royalty arrangements. The *Bulletin* has a wide circulation, and extensive publicity is given by the technical and financial press to the items contained in it. Its circulation list now includes some 600 Canadian manufacturers seeking new products to round out their production. Increased interest on the part of Canadian companies in new products has expanded the work in the licensing field.

## Special Studies

The demand for special information on Canadian importations has increased the work in this field. During the year, the Branch carried out a number of surveys of composite import items. These surveys are providing comparative data that serve as bases for more intensive studies of individual items. In addition to this work, special investigations were carried out to develop import information to satisfy urgent demands from manufacturers. These studies involved the screening of imports of a specific product for a definite period.

Background information on Canadian municipalities was maintained in 1958. Once again, this material was found of considerable value to foreign companies interested in establishing manufacturing plants in Canada and to Canadian concerns planning to expand.

## Co-operation with Immigration Branch

The Branch acts in an advisory capacity to the Immigration Branch of the Department of Citizenship and Immigration on the admission of individuals who wish to establish new industries in Canada. This work has now been projected into the field of settlement inquiries.

## INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION BRANCH

The administration of Canada's participation in the Colombo Plan, the Canada-West Indies Assistance Program, the Canada-Ghana Assistance Program, aid to other Commonwealth countries, and support given to programs of the United Nations and other international agencies, is the responsibility of this Branch.

The Canadian contribution is of two types: capital assistance and technical co-operation. Under capital assistance, grants of goods or services are made to countries on a government-to-government basis. Technical co-operation embraces the schooling of trainees from abroad in a variety of fields in Canada, and the supplying of Canadian experts to advise and instruct abroad.

To support the first three of these various aid programs during 1958, Parliament voted \$35 million for the Colombo Plan (an increase of \$600,000



over 1957), \$1,475,000 for the Canada-West Indies Assistance Program, and \$135,000 for the Canada-Ghana Assistance Program. Additional monies were separately earmarked for Canadian help for United Nations and other agency programs.

The provision of funds in Canada is the first essential step in an aid program. The next step is to determine how and when these funds should be spent. The needs are many and all suggested projects cannot be financed. Priorities have to be established by the authorities of the countries concerned and officials of this Branch in consultation with the Departments of Finance, and External Affairs, Ottawa. The funds have next to be converted into goods and services which traditionally fall into the following categories: commodities or capital projects within capital assistance; experts and trainees within technical co-operation.

Capital assistance is extended to provide for such projects as materials and services for the building of hydro-electric plants; transmission lines; railways and other transportation systems; the surveying of a country's natural resources; the provision of equipment for harbours; the supply of commodities such as wheat, flour, aluminum, copper, nickel and fertilizers; technical assistance and equipment for the control of pests; technical assistance and equipment for schools, universities and technical institutes; audio visual teaching aids; cobalt beam therapy units for the treatment of cancer; mobile medical clinics; and the engineering and other services connected with any of these.

In the field of technical co-operation, Canada sends experts to many countries to assist in the training of their peoples; provides the further education and special courses needed by the many trainees from foreign countries attending our universities, colleges, and business institutions. The Branch also assists the United Nations Technical Assistance Program, and other specialized agencies, in the recruiting of Canadian technical experts for their special purposes, and in the arranging of training programs in Canada for foreign students sponsored by these agencies.

During 1958, the proportion of aid in the form of commodities increased, partly because the need was recognized as greater and partly because aid in this form had the associated purpose of giving rise to Counterpart Funds in the recipient country. Such funds could be applied against the local cost of projects, or other suitable requirements, agreed upon by Canada and the country concerned.

While recipient countries normally share in the construction costs of projects undertaken, it was noticed during 1958 that certain of these countries were less able to share such costs, or assume the recurring expenses of the larger projects when completed. This situation derives, in large part, from the effects of the 1957-58 recession. It means that the planning of aid programs has to have greater attention, so that both the short and the long range effects can be carefully weighed. It also behoves closer study of the relationship between Canadian aid, and the aid given by other agencies.



Within the field of capital assistance, aid was provided under the Colombo Plan to India, Pakistan, Ceylon, Burma, Malaya, Cambodia and Singapore; and under the Canada-West Indies Assistance Program to The West Indies.

In the area of technical co-operation, aid was extended under the Colombo Plan to Burma, Ceylon, India, Pakistan, Cambodia, Laos, Vietnam, Thailand, Indonesia, Malaya, Singapore and North Borneo; under the Canada-West Indies Assistance Program to The West Indies; under the Canada-Ghana Assistance Program to Ghana. Additionally, help was given to the United Nations and its specialized agencies, and the United States International Co-operation Administration.

## INTERNATIONAL TRADE RELATIONS BRANCH

This Branch is primarily concerned with the formulation of Canada's external trade and economic policy, and with the conduct of Canada's commercial relations with other countries, including the negotiation and administration of trade agreements, and Canada's participation in international conferences and organizations affecting trade.

In particular, Branch activities are directed to the safeguarding and improving of the terms of access for Canadian exports in the markets of the world. As a service to Canadian exporters the Branch also provides expert information, advice and assistance on tariffs, import and exchange controls, documentation requirements, and other trade regulations in foreign countries. Policies and practices in other countries which affect international trade are kept under close and continuing review. The Branch maintains comprehensive and up-to-date information on developments in this field and publicizes new measures which are of interest to Canadian exporters.

The important developments during 1958 in connection with the Commonwealth Trade and Economic Conference, the GATT, the European Common Market and proposed Free Trade Area, and Canadian trade relations with the United States and other trading partners have been outlined in Part I of this Report. The Branch directly and actively assisted in the formulation of Canadian policy on these developments. This involved intensive preparatory work with other government departments, maintaining liaison with Canadian export industries and trade associations, drafting of guidance and instructions to Canadian delegations, and actual participation in international conferences and negotiations.

Officers of the Branch took part in the meetings of Commonwealth officials which were held in London in February and June, 1958 to prepare for the Montreal Conference. During the Conference itself, Branch members were attached to the Canadian Delegation and to the Conference Secretariat.

In the course of the year the Branch provided representatives for a number of other international conferences including the intersessional

meetings of the GATT in April and September, the 13th Session of the GATT in October, consultations concerning the European Common Market and proposed Free Trade Area, and the International Sugar Conference.

One of the major issues arising in the Free Trade Area negotiations in 1958 was the question of origin requirements. Various proposals for dealing with this problem were under study in the OEEC. In examining the implications of these proposals for Canadian trade, the Branch maintained close contact with Canadian export industries and trade associations. Detailed guidance and advice was provided to the Canadian observers at the OEEC meetings with a view to ensuring that Canadian interests were taken into account in the formulation of origin rules.

In preparation for the tariff negotiations which were held with Brazil, Switzerland, and the Federation of Rhodesia and Nyasaland during 1958, the Branch consulted with interested Canadian exporters and prepared instructions and briefing material for the use of the Canadian representatives.

Concurrently with the GATT tariff negotiations with Brazil, discussions took place on the re-opening of the important Brazilian market for Canadian salt cod. A special arrangement was concluded under which the Brazilian Government purchased \$600,000 of Canadian cod fish.

Discussions were also held during the year with Australia concerning the changes in the Australian motor vehicle tariff, in order to ensure that Canada would continue to enjoy favourable tariff treatment on motor vehicles exported to Australia.

The important changes in overseas import restrictions during 1958 have been described in Part I of this Report. The Branch gave wide publicity to these developments and drew the attention of Canadian exporters to the new trade opportunities which they created. It also prepared approaches to other countries on licensing problems and sought the removal of restrictions on items of particular interest to Canada.

New tariffs introduced by a number of countries in 1958 were carefully studied by the Branch to determine whether Canadian trade interests would be affected. Venezuela, Bolivia and Cuba based their revised tariffs on the United Nations Standard International Trade Classification. The new Cuban general tariff rates, in many cases substantially above the previous level, were established in March, 1958 and preparations were made for negotiating most-favoured-nation and preferential rates early in 1959. The Brussels Nomenclature prepared by the Customs Co-operation Council was the basis of new tariffs introduced by Austria, Denmark, Norway and Sweden in 1958.

The United Kingdom Import Duties Bill, passed by the House of Commons in February, 1958, also provides for the introduction of the Brussels Nomenclature. This measure, which became effective on January 1, 1959, revises and codifies existing legislation in the United Kingdom regarding tariff matters. New Commonwealth preference regulations were also established, taking account of the changed status of certain members of the Commonwealth and revising the provisions relating to trans-shipment at

non-Commonwealth ports. In addition to studying these general changes in tariff arrangements, the Branch was concerned with a number of specific tariff questions affecting Canadian trade with the United Kingdom.

The proposals for a full scale revision and consolidation of the United States tariff made by the United States Tariff Commission were examined by the Branch and the attention of American authorities was drawn to cases where Canadian exports would be adversely affected by the suggested changes.

The last stage of the United States tariff reductions negotiated under the GATT in 1956, which came into effect on June 30, 1958, included a wide range of items of interest to Canada. Other American actions which favourably affected Canadian exports included the renewal of the duty-free entry of certain metal scrap; the extension of the duty-free newsprint item to cover 13-inch rolls; the decisions of the Customs Bureau regarding the classification for tariff purposes of glued-up lumber, synthetic rubber and castings; and the reaffirmation by the Office of Defence Mobilization of its 1957 decision that imports of cordage do not threaten to impair the national security. However, the United States Congress did not renew legislation permitting the duty-free entry of copper, with the result that this commodity again became subject to the regular import tax.

The Branch also gave close attention to a number of investigations on trade questions in the United States, including Tariff Commission studies on iron ore and calf leather and an inquiry by the Office of Defence Mobilization into fluorspar imports. On all these questions the Branch maintained close contact with Canadian exporters and, where appropriate, assisted them in making submissions to the American investigating bodies.

## SMALL BUSINESS BRANCH

Authority was given by Order in Council on August 1, 1958, for the establishment of a Small Business Branch in the Department of Trade and Commerce to provide, as announced in the Speech from the Throne of May 12, "a liaison between Government and small business, to study the problems of small business and to advise the Government on measures necessary to meet them".

More specifically, the duties of the Small Business Branch were outlined by the Minister of Trade and Commerce as follows:

1. to act as a clearing house in referring enquiries of small business to the appropriate departments of the Canadian Government or provincial and municipal governments and to various other organizations and institutions;
2. to compile and distribute bulletins and reports on topics of general interest to small business including information on government procurement;
3. to assist small business on request to obtain statistical, technical and other information on management, production and marketing problems;



4. to undertake studies concerning small business, particularly for guidance of the Government in developing new policies in this field and as background material for dealing more effectively with the problems of small business;
5. in the course of its work, to consult and co-operate with educational institutions, representative business associations and other private organizations.

By the end of October an Assistant Director and three research officers had been appointed to determine a program based upon these terms of reference and to make recommendations concerning the staff requirements for such a program.

The Branch's initial functions have been concerned with a review of studies relating to the problems of small business in Canada and other countries, and with the collection of quantitative and qualitative material on the position of small business in the Canadian economy. In this regard, a survey has been made of Dominion Bureau of Statistics and other federal government department publications that could be useful to small business establishments. The publications of the Departments of Trade and Industry of the provincial governments have also been reviewed, as well as the published material of the chartered banks and other private institutions.

The activities of the United States Small Business Administration have been studied in order to benefit from its experience and knowledge in planning a program of assistance to small business in Canada.

Initial liaison has been developed with the provincial governments in order to establish close co-operation in the mutual efforts of assistance to small business. In addition, exploratory meetings have been held with other federal government departments and agencies with a view to co-ordinating the Branch's activities with those of other departments.

A number of meetings have also been held between officials of the Branch and representatives of trade associations to discuss various methods of assistance to small business. Briefs submitted to the Government have been discussed with these associations and useful exchanges of opinions and ideas have resulted.

The widespread interest in the new Branch has been evidenced by the numerous inquiries that have been received about its current and proposed activities. These inquiries have not been confined to any particular industrial sector but have ranged throughout the distributive trades, services and manufacturing. Many individual small businessmen have outlined the problems that confront them and, in a good number of cases, the Branch has been able to give immediate assistance by providing information from its own resources or by referring these inquiries to the relevant provincial or federal government departments or agencies.



As indicated above, the Branch has been fully engaged in its initial months in the collection of background information on small business and its problems in Canada, including discussions with government departments and business associations. The knowledge gained from these and further activities of a similar nature, supplemented by special studies, will provide the basis for the development of a program of assistance to small business in accordance with the Branch's terms of reference.

## STANDARDS BRANCH

The Standards Branch field staff carries out "in use" supervision of commercial measuring devices in the field of general trade and in the distribution of gas and electricity, including export. The Laboratory Section makes its facilities available to other government departments and industry.

Meter inspections under the *Electricity Inspection Act* and the *Gas Inspection Act* during 1958 continued at a rate equal to the previous year's with revenue level being maintained. New electricity and gas meters showed an increase which almost offset a normal drop in reverifications, total inspections being 1,207,097 for 1957 and 1,202,609 for 1958. In 1958 there were 4,748,687 electricity and 1,016,420 gas meters in commercial use.

Authorized by licences under the *Exportation of Power and Fluids and Importation of Gas Act*, the volume of natural gas exported was considerably higher than for the previous year, with the Westcoast Transmission Company exporting for the full year as against only three months in 1957. All gas exports were in accordance with authorizations of the Petroleum and Natural Gas Conservation Board of Alberta and the Federal Government.

The volume of natural gas imported was slightly higher than for the previous year. However, on arrival of Alberta natural gas in Ontario in late October 1958, one company ceased importing, except in cases of emergency, while another is now importing at a reduced rate under the terms of its licence. The only other licensee will continue to import at its present low rate.

Oil exports continued, at a reduced rate, via the pipe lines of the Interprovincial Pipe Line Company and the Trans Mountain Oil Pipe Line Company. Twenty licences were issued, one more than in the previous year.

Twenty licences for the export of electrical energy were issued during 1958, the same number as for the previous year. However, one licence in effect in 1957 was not renewed, while a new licence for surplus interruptible energy was issued.

Details of operations under this Act were incorporated in the return to Parliament which is required by the Statute.

Inspections for 1958 under the *Weights and Measures Act* showed a slight increase over 1957. Devices of all types totalled 469,118 for 1957

and 474,583 for 1958. Installations of large and complicated weighing and measuring machines increased, and many were equipped with modern electronic controls and remote recordings. Type approvals issued during the year for new weighing or measuring machines included over 220 different models or types of devices.

Boats were again chartered on the West Coast and in Newfoundland, to inspect equipment in isolated coastal areas. Elsewhere, the mobile heavy duty scale test truck and volumetric units made a valuable contribution to the work. A second heavy duty test truck should be in operation early in 1959. Short weight checking showed a general improvement and fewer prosecutions were warranted. An upward revision of the schedule of fees for inspections will be effective January 1, 1959 and will bring revenue in line with rising operating costs.

To ensure that marks were applied in conformity with the *Precious Metals Marking Act*, a constant inspection at retail, wholesale and manufacturing levels, as well as at Customs ports, was maintained. Assays and tests were made to ensure that the precious metal content was not below the minimum set by the Act, and advertising material was constantly checked to eliminate misleading advertising. Stocks were examined at 6,374 premises in 1957 and 6,819 in 1958.

Regulations under the *National Trade Mark and True Labelling Act* continued to be effective. The work of the committee on size standards for children's and women's clothing was advanced materially through the year. It is hoped that the first tangible results will be apparent in 1959. The Branch was asked to consider regulations for automobile tires and window blinds, and is at present awaiting further submissions from the interested groups.

The year 1958 was an outstanding one for the *Standards Laboratory*. The calibration and maintenance of standards, the approval of commercial measuring devices, and precision comparisons undertaken for industry and other government departments involve the precise measurement of weights, volumes, pressure, temperature, heat, electric energy and other related factors. As a result of new quarters and improved facilities it was possible to maintain calibration schedules of field standards on a much more precise basis than heretofore and at the same time to keep the approval testing well in hand.

Considerable work was done during the year in reconditioning the Weights and Measures field equipment and standards. New cases were obtained for much of the equipment and the resulting improvement in general appearance will enhance confidence in the standards themselves. As a by-product of the new cases, it has been possible to consolidate some of the equipment into more convenient units.

## TRADE COMMISSIONER SERVICE

The 64-year old Trade Commissioner Service, which promotes Canada's overseas trading interests, now has over 100 officers serving in 59 key centres in 46 countries. Appendix "G" records the locations of their offices.

For trade and administrative purposes in Ottawa, the world is divided into main areas—the Commonwealth; Asia and the Middle East; Europe; Latin America; and the United States—with an experienced Trade Commissioner in charge of each. The Area Officers carry out a variety of tasks, among which are the maintenance of contacts between Canadian businessmen and our overseas posts, as well as assisting individual Canadian firms with their problems in a given area, arranging overseas tours for businessmen and organizing commercial tours for foreign business visitors to Canada.

The new office in Accra, the capital of Ghana, was opened at the beginning of the year; the one in Tehran, the capital of Iran, was established in October.

In view of Canada's breadth, regional offices are maintained in Vancouver, British Columbia, and St. John's, Newfoundland, to act as a link between the Area Officers and businessmen on the Atlantic and Pacific coasts.

### Trade Promotion Activities

In 1895, the year that the Trade Commissioner Service had its beginning, Canada exported \$100 million worth of goods. By 1958, Canadian exports had increased almost fifty-fold to \$5 billion, and in this expansion the Trade Commissioner Service has played its role in an ever-increasing multiplicity of ways.

These include the securing of market and credit information for the Canadian exporter; conducting market surveys; recommending suitable agents; reporting on export opportunities; and supplying up-to-date information on tariffs, import quotas and exchange controls.

Maintaining close liaison with local government officials and businessmen is an integral part of a Trade Commissioner's work. In addition, he may be called upon to recommend and organize Canadian trade exhibits in foreign fairs and frequently to attend international conferences as Canada's delegate.

During the year 1958, Trade Commissioners were instrumental in setting up 882 agency or buying connections, and more than 6,747 enquiries from Canadian firms about foreign markets were received and processed. The handling of enquiries from foreign buyers concerning Canadian products comprises an important part of the work.

One simple gauge of the effectiveness of the trade promotional work is contained in the fact that the total of new business influenced by all offices during the calendar year 1958 was \$84,242,944.



## Personnel

At the end of 1958, there were 131 officers on strength in the Trade Commissioner Service, of whom 103 were on duty in the 59 overseas offices. Nine recruits to the Service were taken on during the year.

In a number of offices abroad, Canadian clerical and stenographic staff are posted. Classified as Foreign Service Employees, these clerks and stenographers carry out subordinate functions under the direction of the Canadian Government Trade Commissioner. To make adequate provision for security, the number of posts where Foreign Service Employees are stationed is being increased and the need for further recruitment to meet future objectives is expected to continue for some time. At the end of the year, 34 Foreign Service Employees were on the strength of the Trade Commissioner Service, stationed at 15 overseas offices, as well as at Ottawa.

The successful functioning of the Trade Commissioner Service would not be possible without the loyal assistance and support of personnel engaged locally in the posts abroad. At the end of 1958, 295 local employees were on strength.

## TRADE PUBLICITY BRANCH

Many media are employed in providing publicity that is an essential element in trade promotion. This may take the form of paid advertising, the purpose of which is to direct the attention of prospective purchasers to Canada as a desirable source of supply. It often complements Canada's participation in trade fairs, and may list the locations of and services rendered by Trade Commissioners.

Literature is designed and prepared in the Branch, in co-operation with Commodity Officers and other personnel of the Department, for distribution at trade fairs, by Trade Commissioners in their respective territories, and for the information of Canadian exporters. This includes *Foreign Trade*, a bi-monthly publication for circulation primarily in Canada, and its French-language counterpart, *Commerce extérieur*.

Photographs and films, illustrating the industrial development of Canada, are made available to Trade Commissioners for use in connection with their promotional efforts. Some of these are obtained from private industry, and are used effectively in providing a better understanding of Canada's productive capacity.

### *Foreign Trade and Commerce extérieur*

Commercial intelligence, provided in the form of reports from trade commissioners, was published in *Foreign Trade* for the information of Canadian businessmen. This included a number of trade notes and tariff



information. The paid circulation of this publication increased by 8½ per cent during the year, but that of *Commerce extérieur*, declined by 33 per cent, despite every effort to bring it to the attention of prospective French-speaking subscribers.

Special features published during the year included a series of articles entitled "The Commonwealth at Work". These pertained to Canada's trade with the principal member countries of the Commonwealth, and were reproduced prior to the Commonwealth Trade and Economic Conference in Montreal. Other highlights included: "Mexico—the country and the market"; a review of world markets for pharmaceutical and raw materials; an outline of engineering services available to other countries; and a survey of markets in the United States and the Caribbean for Christmas trees. Much interest was aroused in an article by the Canadian Trade Commissioner in Hong Kong, entitled "How to Trade with Mainland China".

The outside back covers of these publications were again utilized to advertise the services of other departments and agencies of government, such as the Commercial Products Division of Atomic Energy of Canada Limited. Attention was also directed to *The Techniques of Export Trade*, consisting of a number of articles that originally appeared in *Foreign Trade*, obtainable in reprint form from the Queen's Printer.

## Services to the Press

Literature on trade, Canada's economy and industrial development was made available to newspaper and other correspondents seeking facts and figures for the preparation of articles in special supplements, more particularly those appearing in foreign lands. Requests for authoritative information increase as this country becomes a more important source of news, especially for those interested in the investment of funds in new projects.

The Branch was responsible for the preparation of press releases and statements, and for the distribution of addresses by the Minister and officials of the Department. These were also mailed to Trade Commissioners as background information for use by publications in their respective territories.

In an effort to stimulate interest in Canada as a source of supply for purebred cattle, "The Canada Trophy" was presented to winners at cattle fairs in Latin America. This trophy consists of a handsome silver tray, which carries the Canadian coat of arms, and is subsequently engraved with the name of the winning breeder, the name and breed of the award winner, and the place and date of the presentation. Much beneficial publicity has been secured as a result of Canada's participation in leading agricultural shows.

This Branch was actively connected, for the third year in succession, with the visit to Ottawa of thirty-six Sloan Fellows from the School of Industrial

Management, Massachusetts Institute of Technology. These junior executives of leading firms throughout the United States, including several from other countries, now incorporate in their year's syllabus of training in Boston a three-day visit to Canada, during which they are able to familiarize themselves with the economy and development of this country.

## Trade Fairs Abroad Office

Participation in foreign trade fairs is one of the more effective and inexpensive ways of advertising Canada and Canadian products abroad. Accordingly, trade fair exhibits play a significant role in the Department's export trade promotion activities. They permit the display of Canadian goods in the very markets it is wanted to reach, directly before concentrations of interested buyers and traders who have assembled purposely to view, compare, and consider, offerings in their particular merchandise fields.

Through trade fairs the Department can accomplish initial promotion of Canadian goods not sold in a particular market heretofore, or can strengthen the market coverage of lines already introduced; it can greatly assist the Canadian Trade Commissioner in his special duties; both the Department and Canadian firms participating acquire further knowledge about export prospects and market requirements, including what foreign competitors are doing; where the public is admitted to the fair an effective information job for Canada can be performed under advantageous conditions.

Because of the increasing role of trade fair participation in the Department's trade promotion activities, a special Trade Fairs Abroad Office was established in November 1958, independent of any other branch or division. Headed by the Liaison Officer for Trade Fairs Abroad, it is under the general direction of the Assistant Deputy Minister (Trade Promotion). Its purpose is to centralize and co-ordinate all departmental efforts in this field.

One of the aims is to show the way to private Canadian manufacturers who otherwise might not appreciate the value of participation for themselves. For many Canadian firms the trade fair program bridges the gap between no use of this trade promotion technique by that firm at all, and the time when the firm will be able to exhibit by itself.

The Department's program is developed by carefully considering what products it is wished to sell in a particular market and then choosing a fair that meets the needs. To do this, it obtains recommendations from Trade Commissioners abroad and from Commodity Officers in Ottawa who specialize in various commodity fields. After considerable research and statistical study, a departmental committee in co-operation with various industry associations, recommends a program for trade fair participation in the coming year. As and when approved, this is then published in *Foreign Trade* for the information of exporters.

If a firm is interested in exhibiting, it should apply to the Department for particulars as soon as possible. Participation by companies that have not exhibited before, is welcomed. An interested company which has previously been in touch with a Commodity Officer of the Department should contact that officer, indicating the fairs it would like to enter or at least the markets in which it wishes to sell. Some information on the products it would like to exhibit should also be provided.

When the company has not had previous contact with a Commodity Officer, it should send its inquiry to the Liaison Officer for Trade Fairs, Department of Trade and Commerce, Ottawa.

Wherever the inquiry goes, the Commodity Officer who handles these products will send details about the fairs in which the company is interested. He will comment on the fairs themselves and the markets, and advise on which products it might be most worthwhile to show. Usually somewhat later, he will tell the firm whether it can be accommodated in the exhibit and give the date that samples for display should arrive in Ottawa.

Generally speaking, the Department pays the expenses of participation in an exhibit. The cost of space, of building the display, of shipping it abroad and erecting it, and of dismantling it and returning it to Canada are borne by the Canadian Government Exhibition Commission. The exhibiting firm is, of course, responsible for supplying products for the display, for shipping them to the Exhibition Commission in Ottawa before the fair and to its plant from Ottawa after, and for insuring the goods against loss or damage. The matter of an equitable and acceptable basis for the sharing of costs between Government and private enterprise in the various participations receives constant attention.

In 1958 the Department took part in 18 foreign trade fairs, with 291 private Canadian manufacturers displaying their products. The reports from these firms, added to the reports sent in by Trade Commissioners, are encouraging evidence that these activities have the endorsement and support of Canadian exporters and interested Trade Associations. For details of the 1958 participations see Appendix "D", Part I.

The program for 1959 involves 21 foreign fairs. Details were published in *Foreign Trade* issue of November 22, 1958.

Included are the major projects of the large dual all-Canadian Trade Fairs in The West Indies (at Kingston, Jamaica in January 1959, and at Port-of-Spain, Trinidad in February), in which participation by private firms is on a paid basis involving space rentals; and the big all-Canadian Trade Fair at Boston, Mass., in April.





**Part III**  
**Appendices**



## Appendix "A"

### Legislation for which the Minister of Trade and Commerce is Responsible

1. Legislation for which the Department is administratively responsible:
  - Department of Trade and Commerce Act
  - Electrical and Photometric Units Act
  - Electricity Inspection Act
  - Export Act
  - Export and Import Permits Act
  - Exportation of Power and Fluids and Importation of Gas Act
  - Gas Inspection Act
  - Grain Futures Act
  - Inland Water Freight Rates Act
  - Length and Mass Units Act
  - National Trade Mark and True Labelling Act
  - Precious Metals Marking Act
  - Weights and Measures Act
2. Other Legislation, reported to Parliament through the Minister of Trade and Commerce:
  - Atomic Energy Control Act
  - Canada Grain Act
  - Canadian Wheat Board Act
  - Export Credits Insurance Act
  - Northern Ontario Pipe Line Crown Corporation Act
  - Prairie Grain Advance Payments Act
  - Prairie Grain Producers Interim Financing Act
  - Research Council Act
  - Statistics Act
  - Temporary Wheat Reserves Act

## Appendix "B"

### Distribution of Departmental Staff

As at December 31, 1958

	1956	1957	1958
Administration Branch .....	152	158	165
Agriculture and Fisheries Branch .....	21	21	24
Canadian Government Exhibition Commission .....	65	86	95
Commodities Branch .....	109	114	112
Economics Branch .....	40	35	37
Energy Studies Branch .....	—	5	6
Industrial Development Branch .....	16	20	24
International Economic and Technical Co-operation Branch .....	33	39	43
International Trade Relations Branch .....	27	32	31
Small Business Branch .....	—	—	6
Standards Branch .....	368	374	387
Trade Commissioner Service .....	441	468	479
Trade Fairs Abroad Office .....	—	—	3
Trade Publicity Branch .....	15	15	16
	<hr/>	<hr/>	<hr/>
	1,287	1,367	1,428
The above figures do not include the following:			
Board of Grain Commissioners .....	928	935	935
Canadian Government Elevators .....	222	211	237
Dominion Bureau of Statistics .....	1,450	1,574	1,640
	<hr/>	<hr/>	<hr/>
	3,887	4,087	4,240



## Appendix "C"

### Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1955-56 to 1957-58

ORDINARY	1955-56	1956-57	1957-58
Minister's Salary and Motor Car Allowance .....	\$ 17,000	\$ 17,000	\$ 17,000
General Administration			
Departmental Administration .....	607,865	629,872	741,788
Commodities Branches and Industrial Development .....	612,053	707,290	793,276
Trade Commissioner Service			
Administration and Operation ..	2,583,950	2,875,604	3,221,212
Acquisition or Improvement of Buildings, Land, Equipment and Furnishings .....	56,783	33,109	62,696
Trade Publicity Branch .....	163,149	184,605	196,705
Economics Branches .....	209,678	215,902	240,481
International Trade Relations Branch	133,066	141,519	178,090
Exhibitions			
Exhibitions Generally .....	284,240	410,347	461,777
Canadian International Trade Fair 1955 .....	496,296*	—	—
Canadian International Trade Fair "Wind-Up" .....	59,623*	—	—
Canadian Participation in the Brussels Universal and International Exhibition 1958 .....	36,796	378,821	1,585,642
Standards Branch			
Administration and Precious Metals Marking .....	187,792	222,961	289,684
Electricity and Gas Inspection Services .....	736,261	834,573	920,692
Weights and Measures Inspection Services .....	763,864	849,102	966,157
Dominion Bureau of Statistics			
Administration .....	226,800	180,881	193,356
Statistics .....	5,120,230	5,801,820	6,647,865
Census .....	698,504	4,068,484	637,196
Canada Grain Act			
Board of Grain Commissioners			
Salaries of Commissioners .....	42,000	45,474	42,000
Administration .....	144,174	148,925	159,631
Operation and Maintenance .....	3,472,484	3,935,237	4,135,499
Canadian Government Elevators			
Operation and Maintenance .....	1,178,587	1,351,039	1,372,842
Construction or Acquisition of Buildings, Works, Land and Equipment .....	210,893	372,160	552,260
	<hr/>	<hr/>	<hr/>
	\$ 18,042,088	\$ 23,404,725	\$ 23,417,049

## SPECIAL

Temporary Wheat Reserves Act			
Payment of carrying costs of Temporary Wheat Reserves owned by the Canadian Wheat Board....	\$ 18,891,712	\$ 31,805,652	\$ 33,307,928
International Economic and Technical Co-operation Branch .....	133,665	178,606	212,636
Pensions to Former Locally Engaged Employees .....	788	474	1,333
Gratuities to Families of Deceased Employees .....	510	—	1,200
	<u>\$ 19,026,675</u>	<u>\$ 31,984,732</u>	<u>\$ 33,521,897</u>
<b>TOTAL: ORDINARY plus SPECIAL</b>	<u>\$ 37,068,763</u>	<u>\$ 55,389,457</u>	<u>\$ 56,938,946</u>

\* Gross cost of 1955 Canadian International Trade Fair including wind-up expenses totalled \$555,919, to which was credited Revenue received from the operations of the Fair amounting to \$523,092, leaving a net cost of \$32,827. This latter figure will appear in Public Accounts as the cost of the 1955 Trade Fair.

## 2. Expenditures, by Main Headings Only

For comparative purposes the following table has been compiled  
on a calendar year basis

	1956	1957	1958
Minister's Salary and Motor Car Allowance .....	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
General Administration .....	4,644,818.77	5,221,327.81	5,754,522.39
Exhibitions .....	610,622.77	1,338,492.15	2,029,353.56
Standards Branch .....	1,820,989.47	2,132,013.63	2,245,241.29
Dominion Bureau of Statistics .....	9,832,811.37	7,429,235.02	7,872,643.63
Canada Grain Act .....	5,412,346.25	6,438,689.04	6,193,104.06
Temporary Wheat Reserves .....	43,486,186.65	31,816,765.80	33,473,508.68
International Economic and Technical Co-operation Branch .....	179,814.80	205,645.85	291,129.18
Other: Pensions and Gratuities .....	—	—	1,750.00
<b>TOTAL:</b> .....	<u>\$66,004,590.08</u>	<u>\$54,599,169.30</u>	<u>\$57,878,252.79</u>

## 3. Statement of Revenue

For the Fiscal Years 1955-56 to 1957-58

	1955-56	1956-57	1957-58
Canada Grain Act .....	\$ 2,272,754	\$ 2,960,885	\$ 2,659,062
Canadian Government Elevators .....	1,741,874	2,096,634	1,847,281
Weights and Measures Inspection Services .....	710,168	752,143	747,574
Electricity and Gas Inspection Services .....	909,209	933,025	924,266
Electricity and Fluid Exportation Act .....	1,277,928	1,582,495	1,427,184
Eldorado Mining and Refining Ltd. (Dividend on Shares) .....	2,467,500	—	3,525,000
Miscellaneous .....	195,856	1,465,805	1,053,121
	<u>\$ 9,575,289</u>	<u>\$ 9,790,987</u>	<u>\$ 12,183,488</u>

NOTE: The following items are included in the 1957-58 Miscellaneous Total:

1. Northern Ontario Pipe Line Crown Corporation ..... \$569,303
2. Export Credits Ins. Corp., excess of premiums over expenses ..... 420,119

## Appendix "D"

### Projects of the Exhibition Commission

#### Part 1—Projects Sponsored by the Department of Trade and Commerce

National Home Builders Association Convention, Chicago, Illinois.

January 19-23, 1958.....Attendance: 27,000

In co-operation with Canadian Lumber Associations, a display occupying 300 square feet was designed and constructed, featuring Canadian woods and wood products, and displayed in the Sherman Hotel.

National Sporting Goods Convention, Chicago, Illinois.

February 2-6, 1958.....Attendance: 10,350

A display arranged in the Clark Room, Morrison Hotel, exhibited sports goods and equipment supplied by 30 Canadian firms.

Rand Easter Show, Johannesburg, South Africa.

March 24-April 7, 1958.....Attendance: 400,000

A new Canadian Pavilion covering an area of 4,200 square feet and 3,500 square feet outside space housed a wide variety of consumer goods, industrial equipment and wood products from 107 exhibitors.

Fur Salon Displays—Paris, Vienna, Frankfurt, Grindelwald and Milan.

March 25-May 16, 1958.

Portable background display material was designed and produced to exhibit raw and dressed pelts and finished fur garments. In Frankfurt the salon concept was less in evidence as the trade promotion effort concentrated on participation in the Frankfurt Fur Fair for which suitable background material was prepared from stocks in the Commission's London warehouse.

Japan International Trade Fair, Osaka, Japan.

April 12-27, 1958.....Attendance: 1,250,000

Registered buyers from 74 nations:.....3,700

This display, occupying 1,000 square feet, concentrated on metals and chemicals. In the latter category Atomic Energy of Canada Ltd. showed a gamma radiography machine and a model gammacell. 20 Canadian firms contributed products.

Milan International Trade Fair, Milan, Italy.

April 12-29, 1958.....Attendance: 4,250,000

Occupying 1,400 square feet, this exhibit concentrated particularly on grain, minerals, metals, chemicals and fish. 30 Canadian firms contributed.

National Winter Sports Show, New York, N.Y.

April 27-30, 1958.....Registered Buyers: 850

This display, arranged in the McAlpin Hotel, featured Canadian sports equipment from 35 firms.

German Industries Fair, Hannover, Germany.

April 27-May 6, 1958.....Attendance: 1,500,000

Housed in the Chemical Hall of the Fair and occupying 1,000 square feet, this exhibit covered chemicals and allied products from 19 Canadian firms, including Atomic Energy of Canada Ltd.

British Columbia International Trade Fair, Vancouver, B.C.

May 1-10, 1958.

This display, occupying 210 square feet of space in the Hall of Nations Building, served as a trade information centre.

- Popular Price Shoe Show, New York, N.Y.  
May 4-8, 1958..... Attendance: 5,700
- This display, arranged in the McAlpin Hotel, exhibited shoes and slippers from 13 Canadian manufacturers.
- National Restaurant Association Convention, Chicago, Illinois.  
May 5-9, 1958..... Attendance: 38,362
- This exhibit, arranged in the Navy Pier, displayed canned meats, jams, jellies, biscuits, cheeses and other Canadian foods.
- United States World's Trade Fair, New York, N.Y.  
May 7-17, 1958..... Attendance: 700,000
- Occupying 1,000 square feet of space with the theme "Canada for Quality" and featuring flexachrome transparencies of consumer goods, machinery, transportation equipment and scenic attractions, this exhibit served as a trade information centre.
- Montreal International Trade Fair, Montreal, P.Q.  
May 30-June 8, 1958.
- This display occupying 300 square feet was designed, using existing materials, to serve as a trade information centre.
- International Fair, Frankfurt, West Germany.  
September 7-11, 1958..... Attendance: 196,000
- Occupying 2,350 square feet, this exhibit displayed consumer goods from 55 Canadian companies.
- Vienna Fall Fair, Vienna, Austria.  
September 7-11, 1958..... Attendance: 650,000
- In co-operation with the Departments of External Affairs, and Citizenship and Immigration, this exhibit, occupying 3,160 square feet in the Hall of Nations, displayed agricultural products, chemicals and allied products, metals, minerals, textiles, sporting goods and household appliances. Included in the area was a cinema with a seating capacity of 100 which attracted 14,500 visitors to view Canadian films. 17 Canadian firms contributed products.
- Shoe and Leather Fair, London, England.  
September 29-October 3, 1958..... Attendance: 21,327
- This display, occupying 625 square feet of space, featured the products of 11 Canadian tanneries.
- Western Tool Show, Los Angeles, California.  
September 29-October 3, 1958..... Attendance: 5,000
- Occupying 650 square feet of space, this display covered machines and machine tools from 10 Canadian manufacturers.
- World Poultry Congress, Mexico City.  
September 21-28, 1958..... Attendance: 250,000  
Canadian Delegates: 31
- This exhibit was co-sponsored with the Department of Agriculture. Occupying 1,050 square feet, it illustrated Canadian research, production and marketing services.
- Manchester Building Trades Exhibition, Manchester, England.  
October 14-25, 1958..... Attendance 50,000
- In co-operation with Canadian Lumber Associations, this exhibit showed uses of Canadian woods in various types of construction. It occupied 1,500 square feet of space.



Part II—Projects Undertaken and Sponsored by other Departments

Grüne Woche Agricultural Fair, West Berlin, Germany.  
January 31-February 9, 1958.....Attendance: 420,000

This exhibit, occupying 250 square feet, sponsored by the Immigration Branch of the Department of Citizenship and Immigration, and Department of External Affairs, provided general information about Canada.

Institute of American Poultry Industries, Fact Finding Conference, Kansas City, Mo.  
February 14-16, 1958.....Registered Delegates: 3,372

Sponsored by the Department of Agriculture, a 20' display featured the Canadian system of inspection, grading and packing of eggs and poultry.

Festival of Nations and International Trade Fair, St. Paul, Mo.  
May 7-11, 1958.....Attendance: 35,000

This display, sponsored by the Department of External Affairs, featured native handicrafts against a background of general information on Canada.

National Council on Social Welfare, Chicago, Illinois.  
May 11-16, 1958.

A 20' display, sponsored by the Department of National Health and Welfare, portrayed the story of Canada's social welfare program.

Poznan International Trade Fair, Poznan, Poland.  
June 8-22, 1958.....Attendance: 400,000

This exhibit, located in Pavilion No. 26, with 3,766 square feet of space, sponsored by the Department of External Affairs, included a cinema seating 80, a trade section featuring a cobalt therapy unit, consumer and industrial goods, together with panels depicting pictorially and graphically the lives of ten Canadians. Estimate of visitors to the pavilion was 160,000.

Armed Forces Exhibit, Canadian National Exhibition, Toronto, Ontario.  
August 20-September 6, 1958.....Attendance: 2,960,000

Sponsored by the Department of National Defence in the interests of recruiting, this exhibit covered 8,000 square feet on the theme "The Changing Services".

American Phytopathological Convention, Bloomington, Indiana.  
August 24-28, 1958.

This display was produced for the Science Service, Department of Agriculture, to exhibit at the American Institute of Biological Sciences at the University of Indiana.

Armed Forces Exhibit, Quebec Provincial Exhibition, Quebec, P.Q.  
August 29-September 7, 1958.....Attendance: 401,347

Sponsored by the Department of National Defence and in co-operation with Quebec Command, an exhibit covering 4,000 square feet was produced in the interests of recruiting.

Second International Conference on the Peaceful Uses of Atomic Energy, Geneva, Switzerland.  
September 1-15, 1958.

This exhibit, occupying 2,900 square feet, sponsored by Atomic Energy of Canada Ltd., Chalk River, represented Canada's official participation in this Conference organized by the United Nations. Canada's role in the development for peaceful uses of the atom was portrayed through the use of actual products, models and graphics.

American Public Health Association 86th Annual Meeting, St. Louis, Missouri.  
October 27-31, 1958.....Attendance: 4,400

A 20' scientific exhibit, sponsored by the Department of National Health and Welfare, outlined Canada's program of public health.

International Conference of Social Work, Tokyo, Japan.  
November 3-December 6, 1958.

Sponsored by the Department of National Health and Welfare, a 20' exhibit was designed and produced to portray Canada's welfare program.

German Industries Fair, Berlin, Germany.

September 13-28, 1958.....Attendance: 569,000

Housed in Canada's permanent pavilion, this exhibit entitled "A Weekend in Canada", featured the weekend activities of Canadian adults and children. To illustrate this theme, it was possible to introduce a wide range of Canadian goods and portray a good general story on Canada.

\* \* \* \*

Atomic Energy of Canada Ltd., Commercial Products Division

9 exhibits were prepared for this agency for showing in different parts of Canada, United States and Peru during the year.

Canadian Government Travel Bureau.

The Exhibition Commission produced and installed decoration of the Bureau's new Chicago office, and assisted administratively and in production of the decoration of the Bureau's New York office. Seasonal window displays were provided throughout the year for the old and new offices in both Chicago and New York.

## Appendix "E"

### Canada and the Brussels Universal and International Exhibition, 1958

On invitation from the Government of Belgium, the Canadian Cabinet decided, on October 27, 1954, that Canada would take part in the Brussels Universal and International Exhibition, 1958—the first World's Fair to be held since that of New York in 1939. It would open April 17, and close October 19, 1958.

An Interdepartmental Advisory Committee to advise the Director of the Canadian Government Exhibition Commission was established with the following membership: the Associate Deputy Minister of the Department of Trade and Commerce (Chairman), the Clerk of the Privy Council, the Under-Secretary of State for External Affairs, the Chairman of the National Film Board, the Secretary of the Treasury Board, the Director of the Canadian Government Exhibition Commission, and the Comptroller-Secretary of the Department of Trade and Commerce (Secretary). Added later were the Deputy Minister of Citizenship and Immigration, the Director of the National Gallery, the Deputy Minister of Trade and Commerce, the Assistant Deputy Minister of Trade and Commerce, and the Director of the Canada Council.

Baron Moens de Fernig, Commissioner General of the Belgian Government for the Exhibition, visited Ottawa October 29, 1954, met the Interdepartmental Advisory Committee and explained that the Brussels Exhibition, unlike any that had ever been held before, would "underline the human aspect of the contributions of the nations to the economic, social, cultural and spiritual order".

Canada's participation, in the form of a distinct national pavilion, was conceived and executed in this sense and was one of the few which adhered strictly to the theme set by Belgium.

A budget of \$2,750,000 was fixed by Cabinet. In actual fact, when participation was wound up in early 1959, \$51,000 of this amount was unspent.

Prior to the opening of the Exhibition, the Interdepartmental Advisory Committee met 25 times and every facet of the Canadian Pavilion and its contents was reviewed. In addition, several round table meetings were held in the Department of Trade and Commerce, which exercised administrative control over the budget and personnel, to co-ordinate developments.

Plans for the building, grounds, exhibits and publications, as well as the information services, were developed with the advice of 30 advisory committees composed of 103 private citizens, all authorities in their respective fields, and 102 federal and provincial public servants.

The Exhibition Commission then proceeded to develop, install and operate the Canadian Pavilion. Mr. Glen Bannerman was appointed Commissioner General for Canada; Mr. H. B. Scully, Deputy Commissioner General; and Messrs. T. J. Monty and L. H. Ausman, successively, Assistant Commissioners General. The following additional senior appointments were made: Mr. Charles Greenberg, Architect; Mr. W. Sefton, Consulting Engineer; Mr. T. L. Bullock, Chief Information Officer. Mr. Otis Bishopric, of the Department of Northern Affairs and National Resources, served as Landscape Architect. Design of exhibits was directed by Mr. T. C. Wood, Chief Designer of the Exhibition Commission, while installation was the responsibility of Mr. R. L. Greene, Superintendent of Exhibits, Exhibition Commission.

In February 1955, at a meeting of a committee of the Department of Trade and Commerce and a select committee of the Canadian Manufacturers' Association, it was agreed that the story of Canada's industrial development would be told by the Government. Companies and trade groups could not be expected to develop and man exhibits for six months in an exhibition which was mainly educational.

In June 1956, representatives of the provinces were invited to meet the Chairman of the Interdepartmental Advisory Committee and officials of the Department of Trade and Commerce and the Canadian Government Exhibition Commission. The following provinces sent delegates: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island and Newfoundland. All plans for Canada's participation were reviewed and approved.

The Director of the Canadian Government Exhibition Commission, accompanied by various members of his staff, visited the site of the Exhibition several times to co-ordinate developments with the Belgian authorities, officers of the Canadian Embassy in Brussels, the European firms which tendered successfully for construction of the Pavilion and gardens in competition with Canadian and British concerns, and Mr. H. Barthel, Department of Public Works' representative on site.

Throughout the entire period of preparation, the Canadian Ambassador in Brussels, His Excellency Mr. C. P. Hébert, took a keen interest in Canada's preparation and personally attended every meeting of the Commissioners General. The commercial staff of the Embassy acted as the Exhibition Commission's agents in Brussels. It was a heavy task and it was executed cheerfully and efficiently.

Subsequently, too, after the Exhibition opened, liaison was maintained between the Embassy and the Pavilion. All arrangements for visits of royalty and other distinguished persons were planned in conjunction with the Embassy and a heavy share in the organization of Canada Day celebrations was borne by the Ambassador and his staff.

In September 1957, the first exhibits were shipped from Canada to Brussels and the Superintendent of Exhibits moved from Ottawa to the Pavilion. By late March 1958, the entire administrative staff was transferred



overseas. The Press Office of the Canadian Pavilion, fully staffed and equipped with telex, typewriters and telephones, came into operation about the same time, and was used freely by correspondents, who prior to the opening of the Exhibition, had nowhere else to work on the grounds.

H.M. King Baudoin of the Belgians opened the Brussels Universal and International Exhibition 1958 formally on Thursday, April 17, 1958, and the first of 42 million visitors who were to enter the grounds before the Fair closed October 19, poured through the gates. The Canadian Pavilion would be seen by 5,837,330 people from all parts of the world at a cost to Canada of about fifty cents a visitor.

Canada's Pavilion was a spacious, open structure of contemporary design, located in a novel landscape inspired by the colours, forms and textures of the Canadian tundra at the height of summer. It stood on an eminence above the vast Russian pavilion to its rear, and looked out across the smaller pavilions of Nicaragua, Rotary, International Red Cross, and Israel, upon a complex of sunken gardens and fountains. In the evening, bathed with warm light, it was very inviting and, as it was one of the few foreign pavilions which remained open after 6 p.m., it attracted crowds until quite late.

It was staffed by 13 government officers and employees from Canada, and 11 Europeans and Canadians employed locally. In addition, 48 Canadian university students (24 men and 24 women) had been recruited to man the exhibits throughout the Fair.

A detachment of eight members of the Royal Canadian Mounted Police was in charge of security. "Mounties" in uniform were one of the features of Canada's participation which excited the greatest public interest.

On National Days, the Canadian Pavilion flew the flag of the celebrating country along with the Red Ensign. This friendly gesture was appreciated.

Individual exhibits in the Pavilion, designed in the spirit of the building and the grounds, were: Transportation; Communications and Energy; Recreation; the Canadian People; Agriculture; Fisheries; Scientific Development; Forestry; the Northland; Mining; Manufacturing; Atomic Energy; International Trade; Labour; Canada in World Affairs; Broadcasting; How Canadians Govern Themselves; Health and Welfare; Education; Music and Ballet; Drama and Television; Literature; Fine Crafts; an Art Gallery and a Library.

Features which attracted comment were a 125-foot terra cotta mural at the entrance of the Pavilion symbolizing Canada and life in Canada, a well-equipped children's playground, extensive rest areas and adequate rest rooms, a restaurant with an open terrace and a refreshment bar and snack room, also with an open terrace.

To help visitors learn everything they could about Canada, several services were available to supplement the visual messages of the exhibits. A permanently-staffed Information Booth stood in the broad entrance to the

Pavilion, manned by personnel who spoke eight languages. Student members of the Manning Staff, all bilingual, were posted at the entrance to welcome visitors and distribute ground plans of the building and exhibits, as well as within the exhibits themselves to answer questions.

On the main exhibit floor was a Trade Information booth and on the ground floor stood another booth where questions about Immigration were answered. The Trade and Commerce information booth was staffed in rotation by officers of the Trade Commissioner Service abroad, and the Citizenship and Immigration information booth by officers of that Department.

A cinema, screening Canadian documentary films, was filled to the doors from noon to 10 p.m., handling between 3,000 and 3,600 spectators daily. A library, stocked with Canadian books and magazines as well as daily newspapers flown in from Canada, catered to an average of 400 people a day, many of whom were serious students. In the cinema at the noon hour, and continuously in a small music room in the section on the top floor which housed the cultural exhibits, recorded Canadian music was a popular feature. In the Press Office, correspondents had the use of a reference library supplied by the Queen's Printer and later given to La Maison de la Presse in Brussels.

A Souvenir Book of 92 pages, produced for the Exhibition and profusely illustrated, sold 90,000 copies in French, Flemish and English. Federal Government publications were distributed free, and literature on the provinces and cities of Canada was distributed at the Canadian Embassy in downtown Brussels on reference from the Pavilion.

Special events recorded by the Canadian Pavilion included official visits from Archbishop Maurice Roy of Quebec in April; the late Hon. Sydney Smith, Secretary of State for External Affairs, and Paul-Emile Cardinal Léger, Archbishop of Montreal, in May; Lord Beaverbrook, Premier Stanfield of Nova Scotia, Premier Flemming of New Brunswick, Premier Matheson of Prince Edward Island, Premier Smallwood of Newfoundland, Hon. Michael Starr, Minister of Labour, the Lord Mayor of London, H.M. The Queen of The Netherlands and H.R.H. Prince Bernhard, in June; H.R.H. Prince Philip, Duke of Edinburgh, H.R.H. Prince Albert of Liege, Miss Canada and delegations from Mexico and Czechoslovakia, in July; the International Jury, who awarded a Gold Medal to the Canadian Pavilion, H.M. King Baudoin, Sir Ernest Macmillan, H.R.H. Princess Margaret and Hon. Donald Fleming, Minister of Finance, in September; King Leopold III, Hon. Gordon Churchill, Minister of Trade and Commerce, Hon. Douglas B. Harkness, Minister of Agriculture, and the Hon. John J. Bowlen, Lieutenant-Governor of Alberta, in October.

Rt. Hon. John G. Diefenbaker, Prime Minister, was represented at Canada Day celebrations August 24, 25 and 26 by Hon. Mark Drouin, Speaker of the Senate. On the 24th, there was a memorial service in the Canadian Military Cemetery near Adegheem in Flanders. On Monday, the 25th, the feature was a Canada Day Concert in the Grand Auditorium on

the Fair Grounds, attended by Heads of Missions of all the nations represented in Belgium, officers of the Belgian Court, Leaders of the Commissariats General of the participating countries, and leaders in the social, financial, educational, cultural and publishing circles of Europe. Artists were the Hart House Orchestra, conducted by Dr. Boyd Neel, Glenn Gould, pianist, and Marguerite Lavergne, soprano. On the evening of the 26th, the Bach Choir of Montreal and the Hart House Orchestra, under the direction of Victor Feldbrill, performed to a packed house in the Little Auditorium on the grounds.

In April, an exhibition of contemporary Canadian paintings was held in the Palais des Beaux Arts in downtown Brussels. In May, Le Théâtre du Nouveau Monde of Montreal, played for a week to high critical praise in Le Théâtre Royal du Parc, also downtown. The Medallion Chorus of Hamilton sang to some 2,000 listeners in the Pavilion and the Kitsilano Boys' Band from Vancouver attracted 3,000 visitors to the Canadian grounds one night and many more the following evening to La Belgique Joyeuse.

Dismantling of the Pavilion began the night the Exhibition closed and the building was turned over to the contractor for demolition at the beginning of December.

## Appendix "F"

### Tariff Arrangements in Force as at December 31, 1958

Canada's tariff arrangements with other countries fall into three main categories: Trade agreement with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are: Australia, British West Indies, New Zealand, the Federation of Rhodesia and Nyasaland, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with Ceylon and the Federation of Malaya, and accords preferences to Ghana, India and Pakistan. These agreements have been modified and supplemented by GATT. In addition, Canada has a trade agreement with Ireland under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 37 contracting parties to the agreement. Four rounds of major multilateral tariff negotiations have been held under GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1955-56. The GATT arrangements provide for a firm binding of the negotiated concessions for a further three year period as from January 1, 1958.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with GATT. As an exception, however, the Canada-USA Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT.

Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.



Further particulars regarding tariff agreements and arrangements in force on December 31, 1958 may be summarized as follows:

## 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed July 8, 1931; in force Aug. 3, 1931.  GATT effective Jan. 1, 1948.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.
British West Indies Bahamas, Bermuda, British Guiana, British Honduras, The West Indies Federation.	Canada—British West Indies. Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.  The British West Indies (except Jamaica), Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.  GATT effective July 29, 1948.	Canada and Ceylon exchange preferential tariff treatment.
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.  GATT effective Oct. 18, 1957.	Canada accords British preferential treatment to Ghana, (except on cocoa beans).  Exchange of most-favoured-nation treatment.
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation.  GATT effective July 8, 1948.	Canada accords British preferential treatment to India.  Exchange of most-favoured-nation treatment.
New Zealand .....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.

Country	Agreement	Principal Terms
Federation of Malaya ....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.	Canada and Federation of Malaya exchange preferential tariff treatment.
	GATT effective Oct. 24, 1957.	
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation.	Canada accords British preferential treatment to Pakistan.
	GATT effective July 30, 1948.	Exchange of most-favoured-nation treatment.
Federation of Rhodesia and Nyasaland .....	Trade Agreement signed Feb. 6, 1958; effective Feb. 7, 1958.	Canada exchanges preferential tariffs with the Federation.
	GATT effective in Southern Rhodesia May 19, 1948; extended to whole Federation, Oct. 29, 1954.	
Union of South Africa ....	Trade Agreement signed Aug. 20, 1932; in force Oct. 13, 1932.	Agreement includes schedules of tariff preferences granted by each country. May be terminated on six months' notice.
	Exchange of notes Aug. 2-31, 1935; effective retroactive from July 1, 1935.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective June 14, 1948.	
United Kingdom .....	Trade Agreement signed Feb. 23, 1937; in force Sept. 1, 1937. Modified by an exchange of letters of Nov. 16, 1938, and an exchange of notes Oct. 30, 1947.	Various concessions by both countries including exchange of preferential tariff rates (some minor reservations by Canada). Extends to British Colonies and Dependencies.
	GATT effective Jan. 1, 1948.	
West Indies Federation (Trinidad, Jamaica, Barbados, Windward and Leeward Islands) ..	Trade relations continue to be governed by the Canada-British West Indies Trade Agreement. (see above)	

## 2. Arrangements with Non-Commonwealth Countries

Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Belgium-Luxembourg .....	Convention of Commerce with the Belgium - Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union) .....	See Belgium-Luxembourg and Netherlands.	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective July 31, 1948.	
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Cambodia .....	Franco - Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective Mar. 16, 1948.	
China .....	Modus vivendi signed Sept. 26, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Colombia .....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	

Country	Agreement	Principal Terms
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment (excluding preferences accorded by Cuba to the United States).
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force provisionally Mar. 15, 1940, and definitively Jan. 22, 1941.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on six months' notice.
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt (Province of United Arab Republic) .....	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948.  GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories .....	Trade Agreement signed May 12, 1933; in force June 10, 1933.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.



Country	Agreement	Principal Terms
France and French overseas territories (Cont'd) .....	Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935.	
	GATT effective Jan. 1, 1948.	
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	GATT effective Mar. 1, 1950.	
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective Jan. 1, 1950.	
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.

Country	Agreement	Principal Terms
Israel .....	Canada - United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954.  GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council of Mar. 1, 1955.	Canada grants most-favoured-nation tariff rates.
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date, Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam.  GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.

Country	Agreement	Principal Terms
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
	GATT effective July 10, 1948.	
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.
Portugal, Portuguese adjacent islands and Portuguese overseas provinces.....	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.

Country	Agreement	Principal Terms
Sweden .....	United Kingdom-Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
	GATT effective May 1, 1950.	
Switzerland .....	United Kingdom-Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.
Syria (Province of United Arab Republic) .....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey .....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	GATT effective Oct. 17, 1951.	
Union of Soviet Socialist Republics ....	Trade Agreement signed Feb. 29, 1956. Ratifications exchanged May 26, 1956.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase determined quantity of Canadian wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.
United Arab Republic .....	See Egypt and Syria.	
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT.	Most-favoured-nation treatment exchanged.
	GATT effective Jan. 1, 1948.	
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953.	Most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective Dec. 16, 1953.	



Country	Agreement	Principal Terms
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950, renewed each year.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom-Serb-Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

## Appendix "G"

### Location of Foreign Trade Service Offices Abroad

Overseas posts are in the following territories, at the centres indicated:

Argentina	Hong Kong	Singapore
Buenos Aires		South Africa
Australia	India	Cape Town
Melbourne	Bombay	Johannesburg
Sydney	New Delhi	Spain
Austria	Indonesia	Madrid
Vienna	Djakarta	Sweden
	Iran	Stockholm
Belgian Congo	Tehran	Switzerland
Leopoldville	Ireland	Berne
Belgium	Dublin	
Brussels	Italy	United Arab Republic
Brazil	Rome	(Egyptian Region)
Rio de Janeiro		Cairo
Sao Paulo	Japan	United Kingdom
	Tokyo	Belfast
Ceylon		Liverpool
Colombo	Lebanon	London
Chile	Beirut	United States
Santiago		Boston
Colombia	Mexico	Chicago
Bogota	Mexico	Detroit
Cuba		Los Angeles
Havana	Netherlands	New Orleans
	The Hague	New York
Denmark	New Zealand	Washington
Copenhagen	Wellington	Uruguay
Dominican Republic	Norway	Montevideo
Ciudad Trujillo	Oslo	
		Venezuela
France	Pakistan	Caracas
Paris	Karachi	
	Peru	West Indies
Germany	Lima	Kingston
Bonn	Philippines	Port-of-Spain
Hamburg	Manila	
Ghana	Portugal	
Accra	Lisbon	
Greece		
Athens	Rhodesia and Nyasaland	
Guatemala	Salisbury	
Guatemala City		

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine "Foreign Trade".)

## Appendix "H"

### Directory of Boards, Crown Companies and Agencies

#### 1. Reporting to Parliament through the Minister of Trade and Commerce

*Board of Grain Commissioners—*

Chief Commissioner, R. W. Milner

*Canadian Wheat Board—*

Chief Commissioner, W. C. McNamara

*Dominion Bureau of Statistics—*

Dominion Statistician, W. E. Duffett

*Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

*Northern Ontario Pipe Line Crown Corporation—*

President, D. A. Golden

#### 2. Reporting to Parliament through the Minister of Trade and Commerce as Chairman of the Privy Council Committee on Scientific and Industrial Research

*Atomic Energy Control Board—*

President, C. J. Mackenzie

*Atomic Energy of Canada Limited—*

President, J. L. Gray

*Canadian Patents and Development Limited—*

President, E. R. Birchard

*Eldorado Aviation Limited—*

President, A. B. Caywood

*Eldorado Mining and Refining Company Limited—*

President, W. M. Gilchrist

*National Research Council—*

President, E. W. R. Steacie

*Northern Transportation Company Limited—*

President, F. W. Broderick

#### 3. The activities of these organizations are described in their respective annual reports.







# ANNUAL REPORT

DEPARTMENT OF TRADE AND COMMERCE

1959





(Sixty-Eighth  
ANNUAL REPORT

Department  
of  
Trade and Commerce  
1959

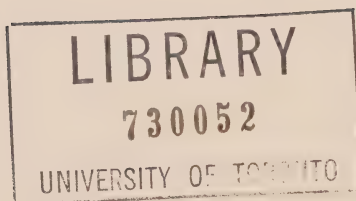
The Hon. Gordon Churchill, *Minister*  
James A. Roberts, *Deputy Minister*

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1957



THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1960

Price 25 cents

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OTTAWA, April 1, 1960.

To His Excellency Major-General Georges P. Vanier, D.S.O.,  
M.C., C.D.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Sixty-eighth Annual Report of the Department of Trade and Commerce covering the calendar year 1959.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

GORDON CHURCHILL,  
*Minister of Trade and Commerce.*



OTTAWA, April 1, 1960.

The Honourable Gordon Churchill,  
Minister of Trade and Commerce,  
Ottawa, Canada.

Sir:

I have the honour to submit the Sixty-eighth Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1959.

Your obedient servant,

JAMES A. ROBERTS,  
*Deputy Minister.*





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**Part I**  
**Economic and Trade Developments**





## A. ECONOMIC AND TRADE REVIEW

### 1. WORLD CONDITIONS

During 1959 economic expansion was underway on a world-wide scale. Rising production in virtually all countries was accompanied by a strong upward movement in international trade reversing the downward trend evident in the previous year. Total world trade in 1959 exceeded that of 1958 by 5 to 6 per cent and almost regained the record 1957 level.

In the United States a quickened tempo of business activity, though temporarily interrupted by a four-month steel strike, carried national output 6 per cent above the level of the preceding year. This expansion internally was accompanied by a further large net outflow of gold and dollars, the total payments deficit with the rest of the world being somewhat larger than in 1958. This higher deficit reflected a reduced balance on merchandise trade countered only in part by offsetting changes in capital movements. Though rising in the latter part of the year, United States exports for 1959 as a whole were down slightly from the 1958 level while imports increased by about 19 per cent. The outflow of currency from the United States provided the basis for a corresponding growth in the gold and dollars reserves of other countries.

Other highly industrialized economies followed a firm upward course in 1959. In the United Kingdom national production increased by 3 to 4 per cent. A somewhat higher rate of growth prevailed in Western Europe, while in Japan the upward movement was even more rapid. Exports rose sharply, accompanied in most of these countries by a somewhat slower growth in imports. The current account balance of the United Kingdom continued to show a surplus although sterling reserves declined moderately due to a number of special payments. Foreign exchange reserves of Japan and several countries of Western Europe rose substantially.

In the less developed areas of the world, which rely heavily on exports of raw materials and foodstuffs, conditions have been improving gradually, although somewhat unevenly, since 1957-58. International commodity markets, with certain exceptions, strengthened moderately in 1959. Increased export earnings along with a sustained inflow of aid and investment funds provided the basis for a somewhat stronger pace of development in most underdeveloped areas.

Stronger balance of payments positions in many overseas economies were reflected in 1959 in further extensive reductions in import restrictions and discrimination, particularly in the more developed countries. The progressive elimination of these direct impediments to trade along with greater financial liquidity on an international scale were important underlying factors contributing to the rising trend of world trade.

## 2. ECONOMIC CONDITIONS IN CANADA

Economic conditions in Canada during 1959 moved in line with the general expansion in other major trading nations. However, in the early stage of the current upswing, new forward impetus in Canada came primarily from internally-generated demands reinforced by renewed inventory growth following the inventory liquidation of the preceding recessionary period. The impact on Canadian exports of renewed growth in the industrialized countries of the world was felt only gradually and with a somewhat delayed effect. Nevertheless, by the second quarter of 1959, the export total began to move above the \$4.9 billion annual level about which it had fluctuated for the preceding thirty-month period. By the latter part of 1959, the upward trend of exports had become a major expansionary force in the economy.

Business trends in Canada had gained momentum in the closing months of 1958 and this improved tempo of business carried forward into 1959. Economic activity rose sharply in the first part of the year and after a brief pause in the summer continued upward in the last quarter. Gross National Product in 1959 increased by 6 to 7 per cent from the level of the preceding year. Prices were up, on average, by about 2 per cent. Total national output, in physical volume terms, rose by about 4 per cent. The strongest advance occurred in the industrial sector in which output, after moving downward in 1958, rose by 8 per cent in 1959. Activity in the service trades continued to expand though at a less pronounced pace than in most goods-producing industries. Agricultural production, though adversely affected by below average harvests of grain and some other crops, was up moderately from the 1958 level.

More production in 1959 meant more jobs. Non-farm employment rose by 3½ per cent between 1958 and 1959. Employment in agriculture continued to decline but at a slower rate than in preceding years. Total employment was up by nearly 3 per cent. New job opportunities kept ahead of the expanding labour force and the number of jobless persons declined. Considered as a proportion of the labour force, unemployment fell from 6.6 per cent in 1958 to 5.6 per cent in 1959.

Much the greatest increase in employment took place in the service trades. Despite the more pronounced growth of output in goods-producing industries, employment in this sector rose only moderately. Continuing plant modernization along with the existence of considerable free capacity in many goods-producing industries permitted a substantial increase in output with a less than proportionate increase in employed manpower. In manufacturing, for example, a 6.6 per cent increase in production between 1958 and 1959 was achieved with a 2.3 per cent increase in the number of persons employed. This relatively rapid growth in industrial productivity contributed to higher earnings of both labour and management and provided a key stimulus to economic growth generally.

The improved tempo of economic activity was reflected in higher returns to nearly all major income groups. Corporate profits recovered

sharply, and by the latter part of the year had moved to a new high. Earnings of professional and other private business also moved ahead though at a less rapid, but steadier, pace. Increased rates of pay, together with more and steadier employment, raised labour income by 8 per cent from the 1958 level. All major categories of investment income were higher. Government payments to individuals advanced moderately following on the substantial rise of the preceding year. Despite lower prices for some commodities and below-average harvests, farm income was down only moderately. Personal income in total, after deducting direct tax payments, increased by 6 per cent between 1958 and 1959.

This strong income trend provided the basis for a quite substantial rise in consumer spending. Of the major categories, outlays on durables, particularly automobiles and household appliances showed the strongest advance. However, spending on soft goods and for services also increased significantly. Consumer expenditure in total rose by 6 per cent between 1958 and 1959. With consumer prices having risen by little more than one per cent, per capita spending, in real terms, increased by 2 to 3 per cent, a better than average gain. Even with this strong advance in expenditure, personal savings, as a proportion of total income, reached the highest level of the post-war period.

Total capital investment, both private and public, was slightly higher in 1959 than in the preceding year. Public investment and other institutional building was up quite sharply. On the other hand, capital expenditure by all types of business enterprise was down moderately with declines in some major utilities more than offsetting increases in agriculture and certain service groups. Though down for 1959 as a whole, compared with 1958, the trend of business capital spending turned upward early in 1959 and became a significant stimulative force for the rest of the year. Reflecting the fall-off in business investment since 1957, additions to industrial capacity were on a smaller scale in 1959 than in the immediately preceding years. Nevertheless, there was a further significant build-up of capacity in a number of sectors including electric power, petroleum refining, natural gas distribution, chemicals, non-metallic minerals, primary iron and steel and food and tobacco processing.

Housebuilding, which in 1958 had far exceeded any previous year's level, fell off moderately in 1959 due mainly to the more limited availability of private mortgage funds. Government mortgage lending involving loans to builders was resumed temporarily in the autumn months and in December the maximum interest rate chargeable under the National Housing Act was increased from 6 to  $6\frac{3}{4}$  per cent. New housing starts reached 141,000 units in 1959 compared with 165,000 units in the previous year, while completions reached 146,000 units, almost up to the 1958 level.

The general strengthening in market conditions in 1959 was felt in virtually all major segments of Canadian industry. Among those industries experiencing the most vigorous advance was primary iron and steel which



was subject to the dual stimuli of rising consumption and limited supplies resulting from the shutdown of United States mills. Activity in consumer industries rose in response to high consumer spending and some filling out of inventories. Business volume increased in several of the equipment industries including farm implements, commercial vehicles, office equipment, and various types of industrial machinery. On the other hand, production of railway rolling stock and heavy electrical apparatus was down for the second consecutive year. After a slow start, basic material industries such as pulp and paper and non-ferrous metals achieved sizable gains over the levels of the preceding year.

Canadian producers, on average, retained an almost undiminished share of the expanding domestic market, manufacturing output having increased by 7 per cent between 1958 and 1959 compared with a 9 per cent increase in total imports. In some industries, however, domestic shipments did not keep pace with imports. In the case of automobiles, the proportion of European type cars in the total Canadian market rose from 20 per cent in 1958 to 26 per cent in 1959. Despite the increased popularity of European cars and difficulties encountered as a result of the shortage of components in the last quarter of the year, automobile production in 1959 increased slightly. Other industries which lost some ground to foreign suppliers included cotton and synthetic textiles, along with a number of items in clothing and other consumer goods lines.

### 3. CANADA'S FOREIGN TRADE <sup>1</sup>

#### Total Trade

Canada's trade in 1959 reflected the higher level of production and prosperity which prevailed here and in many foreign countries. Trading conditions were also improved by the further lowering of barriers to the movement of goods among countries and the substantial diminution of discrimination against dollar suppliers. This was made possible by the structural improvements in foreign economies, a most important aspect of which was the marked strengthening in gold and foreign exchange holdings and currency convertibility.

On the export side, the value of goods shipped abroad reached a new record of \$5,140.5 million, surpassing the 1958 figure by 5.0 per cent. The rising trend of exports became clearly discernible in the second half of the year, especially in the last quarter when exports moved well above the level of any preceding 3 month period. This increase reflected primarily rising world demand for industrial materials following on renewed expansion in the United States, the United Kingdom and other highly industrialized countries. Thus the upturn in total Canadian exports was mainly attributable to rising sales of mineral and forest products.

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<sup>1</sup> In the tabular material contained in this section totals may not correspond exactly with the sum of the components due to rounding.



With regard to imports, stronger Canadian demand, generated by the buoyancy of consumer spending and the upturn in capital investment, resulted in larger purchases from abroad. Imports from all countries in 1959 increased by 9.3 per cent to \$5,519.4 million from \$5,050.5 million in 1958, but remained \$27.6 million short of the record level reached in 1956.

Canada's terms of trade improved slightly in 1959. Export prices of Canadian goods went up about 2%, while prices of imports into Canada declined on the average by 1.6 per cent.

**Summary Statistics of Total Canadian Trade**  
(Millions of Dollars)

	1958	1959	Percentage Change 1958 to 1959
Value of Trade			
Exports <sup>1</sup> .....	4,894	5,141	+5.1
Imports .....	5,050	5,519	+9.3
Balance of Trade .....	-156	-378	
Price Indexes <sup>2</sup> (1948=100)			
Exports .....	120.6	122.8	+1.8
Imports .....	116.5	114.6	-1.6
Terms of Trade .....	103.5	107.1	+3.5

<sup>1</sup> Includes re-exports.

<sup>2</sup> 1959 indexes are estimated.

## Commodity Pattern of Trade

### *Exports*

Canada's exports of industrial materials, after declining in 1958, turned upward in 1959. On the other hand, sales abroad of farm and fishery products and fully manufactured goods were a little below the levels reached in 1958 and formed a smaller part of total exports from Canada.

Metals and other mineral products were again in 1959 the largest and fastest growing sector of Canadian exports. After the moderate setback of the previous year, reflecting less active business conditions throughout the world, the export value of this group advanced 15 per cent in 1959 and accounted for over one-third of total exports from Canada. Part of this increase resulted from the firming up of commodity prices but, to a greater extent, it was due to a larger volume of shipments.

Uranium sales were 13 per cent higher in 1959 than in 1958 and again accounted for the highest export value of any item in the group. Aluminum exports came next in value, but the improvement over the previous year was only moderate (4 per cent). However, noticeable changes appeared in the pattern of aluminum shipments. Western Europe and Japan grew in importance while shipments to the United States decreased by 18 per cent.

Exports of nickel, after a drop in 1958 largely due to labour disputes, reverted to their long-term upward trend. Higher United States purchases contributed to the rise of Canadian exports of this commodity from \$212.6

million to \$226.9 million, which is the second highest level on record (1957: \$248.3 million). Increased industrial activity in the United States and a shutdown in the American industry resulted in higher sales of copper from Canada. These went up by 17 per cent, reversing the declining trend of the previous two years. Iron ore exports staged a full recovery from the contraction of 1958 and set a new record. The greater import demand for iron and steel originating in the United States, as a result of the steel strike there, was the major factor in boosting Canadian exports of primary and semi-finished steel to a level 60 per cent above that of 1958. In response to a larger world demand, exports of Canadian asbestos expanded by over 21 per cent and 1959 became a record year for the export of this mineral. The value of zinc exports remained at the reduced level of the previous year but in quantity terms shipments were down by 13 per cent, mainly as a result of lower purchases by the United States.

Changes of lesser consequence occurred in the export of a number of other metals. With regard to metals in general, it appears that the advantages accruing to Canada from the increased world demand for industrial raw materials more than offset stronger competition resulting from increased availabilities from other parts of the world.

In fuels, the oversupply that characterized the international market acted as a limiting factor upon Canadian exports. Exports of crude petroleum improved somewhat in relation to 1958. Exports of natural gas, which are subject to the limitations of existing outlets, held close to the 1958 level. Coal exports, though affected by the over-supply on the world market, increased by \$676 thousand, as a consequence of larger shipments to Japan.

Sales abroad of forest products in 1959 were 7 per cent larger than in 1958 and comprised 29 per cent of the total value of Canadian exports. The increase resulted almost entirely from the expanded volume of shipments, as prices remained generally unchanged.

The growing world consumption of paper provided a larger market for this important sector of Canadian production. Newsprint, the leading export from Canada, realized a gain of \$32.4 million over the year before, when sales had dropped for the first time in many years. A larger import demand in the United States, in spite of increased local output, and in the United Kingdom, raised the level of Canadian shipments above the 1957 peak. Wood pulp exports were affected by the same market situation as for paper, and in 1959 they increased by 9 per cent compared with the previous year.

Exports of lumber continued to climb and topped the 1958 level by 9 per cent. A larger building construction program in the United States was the main factor in this improvement.

The value of chemical exports rose by  $2\frac{1}{2}$  per cent in 1959 reflecting, for the most part, higher prices. Fertilizers and plastics recovered the ground lost in 1958. Ammonium compounds, cobalt oxides and radioactive material were the most rapidly growing items.

Exports of farm products, on the whole, were lower in value in 1959 than they had been for several years and formed a smaller part (18 per cent) of total Canadian exports. It should be noted, however, that the export prices of some of the major farm products entering world markets, such as wheat, flour, milk powder and eggs remained level whereas the general price index of exports went up by almost 2 per cent.

Exports of wheat and wheat flour held to within 2 per cent of the high level attained in 1958. A heavy movement of wheat out of Canadian ports after September largely offset lower shipments in the early part of the year. Exports of coarse grain, which are normally subject to substantial fluctuation, declined as a result of better supply positions in importing countries (especially in the United States, United Kingdom and Japan.) Exports from Canada of beef cattle, beef and veal, which are almost entirely directed to the United States, had risen sharply in 1958 as the domestic availability in that country was well below the level of consumption. This situation began to change during the past year, under the influence of the cyclical build-up of herds in the United States. American imports of cattle and beef declined substantially as the larger number of calves and steers on farms was reflected in increased domestic marketings. Exports of pork were much greater during the first half of 1959 than a year earlier. These tapered off in the latter part of the year as the supply of pork in the United States became more plentiful. In terms of quantity, more pork and pork products were exported in 1959 than in the previous year, but lower export prices reduced, fractionally, the value of these exports.

Foreign sales of Canadian eggs and dairy products during the past year nearly doubled their 1958 value. Large shipments of butter to the United Kingdom and a widespread increase in exports of milk powder, cheddar cheese, dried and frozen eggs raised the total from \$22.9 million to \$40 million.

Exports of fisheries products declined by  $4\frac{1}{2}$  per cent from the 1958 level but still represented nearly 3 per cent of total exports. Smaller sales of canned salmon and salted cod account for most of last year's reduction. However, the value of shipments, amounting to \$147.3 million, was the second highest in the history of the fishing industry.

The total value of other manufactured and miscellaneous products exported from Canada in 1959 was 1.5 per cent lower than in 1958 and formed 12 per cent of total exports. Lower sales of one item, aircraft, brought down the aggregate value of the group. The bulk of this item during 1958 was made up of military airplanes for NATO countries, these orders being of a nonrecurrent nature. Though not sufficient fully to offset the decline in aircraft, foreign sales of several other manufactured products increased. Exports of farm machinery continued to expand, mainly as a result of rising replacement requirements in the United States, but reflecting also the quickening pace of mechanization in world agriculture. Despite stiffening international competition, other types of machinery and electrical apparatus were



exported in larger quantity in response to expanding industrial activity in other parts of the world. Foreign sales of automobiles, trucks and parts held to the previous year's level.

**Canadian Exports to all Countries**  
(Millions of Dollars)

Commodities	1958	1959
<b>Farm Products</b>		
Wheat and Wheat Flour .....	515.5	506.7
Coarse Grains .....	97.8	78.6
Oil Seeds .....	67.0	60.2
Live Beef, Beef and Veal .....	104.3	49.6
Pork and Pork Products .....	28.2	27.9
Eggs and Dairy Products .....	22.9	40.0
Other .....	182.1	180.0
<b>Total</b> .....	<b>1,017.8</b>	<b>943.9</b>
<b>Fishery Products</b> .....	<b>154.3</b>	<b>147.2</b>
<b>Forest Products</b>		
Lumber, Softwood and Square Timber .....	277.2	301.3
Wood Pulp .....	285.4	311.3
Newsprint .....	690.2	722.6
Other .....	151.1	170.1
<b>Total</b> .....	<b>1,403.9</b>	<b>1,505.3</b>
<b>Primary and Semi-Processed Metals and Minerals</b>		
Iron Ore .....	107.7	157.8
Primary and Semi-Finished Steel .....	77.7	124.5
Aluminum .....	223.6	232.4
Copper .....	141.8	166.1
Lead and Zinc .....	81.6	80.8
Nickel .....	212.6	226.9
Uranium Ores .....	276.5	311.9
Asbestos .....	91.5	111.1
Petroleum, Crude .....	73.0	74.5
Other .....	155.8	170.3
<b>Total</b> .....	<b>1,441.8</b>	<b>1,656.3</b>
<b>Chemicals</b> .....	<b>197.1</b>	<b>201.8</b>
<b>Other Manufactured and Miscellaneous Products</b>		
Whisky, Spirits and Beer .....	74.5	82.7
Farm Implements, Machinery and Parts .....	97.6	114.7
Other Machinery and Parts .....	46.9	48.5
Automobiles, Trucks and Parts .....	36.0	35.3
Electrical Apparatus n.o.p. ....	24.9	32.6
Aircraft and Parts .....	109.3	25.0
Other .....	187.1	228.5
<b>Total</b> .....	<b>581.1</b>	<b>567.3</b>
<b>Exports of Foreign Produce</b> .....	<b>102.9</b>	<b>118.7</b>
<b>Grand Total</b> .....	<b>4,894.0</b>	<b>5,140.5</b>



## *Imports*

The expansion in imports in 1959 was spread over a wide range of products although certain items stood out in importance. Most of the increase occurred in capital equipment and non-food consumer goods lines, divided about equally between the two groups. Basic materials and foods, as a group, showed but a slight rise.

In the capital goods category, imports of farm machinery rose sharply while purchases of industrial and electrical equipment were also higher. Contrary to this general trend, the value of aircraft brought into Canada in 1959 was lower, reflecting the purchasing programs of the major airlines.

Among consumer goods lines, automobiles showed much the largest increase and accounted for more than one-quarter of the expansion in total imports. Notable increases also occurred in the textile groups, particularly synthetics.

In the material group, purchases of crude rubber were much higher mainly due to a sharp rise in price. Imports of forest products and chemicals also were considerably higher. On the other hand, imports of coal and petroleum showed little change, reflecting Canada's increasing self-sufficiency in fuels. In addition, a larger proportion of Canada's 1959 requirement of iron ore and iron and steel were supplied from domestic as opposed to foreign sources, partly as a result of the American steel strike, but due also to the gradual rounding out of Canada's productive capacities in these basic industry areas. Purchases of tropical foods were down in value terms due mainly to lower prices.

### **Canadian Imports from all Countries** (Millions of Dollars)

Commodities	1958	1959
<b>Farm Products</b>		
Fruits, Vegetables and Grains .....	283.3	291.8
Sugar .....	64.4	61.7
Tea, Coffee, Cocoa and Spices .....	114.3	106.4
Rubber, Crude .....	30.2	51.5
Furs, Dressed and Undressed .....	25.3	25.7
Other .....	89.2	109.4
<b>Total</b> .....	<b>606.8</b>	<b>646.6</b>
<b>Textiles</b>		
Raw Cotton .....	47.1	44.5
Cotton Products .....	104.9	114.3
Flax, Hemp or Jute .....	23.6	25.9
Raw Wool (including Tops) .....	22.6	25.9
Wool Products .....	64.0	67.0
Synthetic Fibres and Products .....	59.4	70.8
Other .....	65.6	71.7
<b>Total</b> .....	<b>387.3</b>	<b>420.2</b>

**Canadian Imports from all Countries (Concluded)**  
(Millions of Dollars)

Commodities	1958	1959
Forest Products		
Paper and Products .....	154.3	165.2
Other .....	81.3	107.1
Total .....	235.6	272.3
Primary and Semi-Processed Metals and Minerals		
Iron and Primary and Semi-Finished Steel .....	315.3	293.2
Bauxite and Alumina for Aluminum .....	30.3	31.3
Coal, Coke and Products .....	103.8	100.5
Petroleum, Crude .....	278.5	277.5
Petroleum Products .....	123.7	138.1
Clay and Products .....	45.0	48.3
Glass and Products .....	54.2	63.0
Other .....	227.5	236.9
Total .....	1,178.3	1,188.8
Chemicals .....	290.4	327.0
Other Manufactured and Miscellaneous Goods		
Beverages .....	24.3	22.9
Vegetable Oils .....	30.3	29.1
Manufactures of Rubber .....	35.1	41.6
Leather and Products .....	21.6	27.1
Aircraft Engines .....	45.2	37.3
Aircraft and Parts, n.o.p. ....	94.8	76.7
Automobile and Truck Engines .....	20.0	25.8
Automobiles, Trucks and Parts, n.o.p. ....	405.7	517.9
Engines, Boilers and Parts, n.o.p. ....	69.5	71.9
Farm Implements, Machinery and Parts .....	198.3	273.8
Machinery (except Agricultural) .....	532.9	585.2
Other Iron and Steel Products .....	260.2	280.9
Electrical Equipment, n.o.p. ....	240.1	269.4
Other .....	373.9	404.2
Total .....	2,352.1	2,664.6
Grand Total .....	5,050.5	5,519.4

## Direction of Trade

The principal changes in the distribution of Canadian exports in 1959 were an increase in the United States' share from 59.2 to 61.9 per cent and a decline in the proportion sold to the countries of the European Economic Community from 8.6 to 6.1 per cent. This latter was a reflection of the completion of NATO aircraft contracts with West Germany and Belgium in 1958. While exports to the United Kingdom, in dollar terms, were up slightly, there was a fractional decline in the proportion of Canada's exports going to this country and also to the rest of the Commonwealth. The share taken by Japan was up considerably. Other changes in the distribution of exports were relatively small.

On the import side, there was an increase in the share of the Canadian market held by overseas countries, particularly the United Kingdom, the European Economic Community and Japan. Participation of the United States in the Canadian import market declined from 68.5 per cent in 1958 to 67.3 per cent in 1959.

**Direction of Canadian Trade**  
(Millions of Dollars)

	1958	1959	Per cent of Total	
			1958	1959
Total Exports to:				
United States .....	2,896	3,182	59.2	61.9
United Kingdom .....	777	794	15.9	15.4
Other Commonwealth .....	293	286	6.0	5.6
Other European Free Trade Area .....	111	120	2.3	2.3
European Economic Community .....	422	316	8.6	6.1
Latin America .....	180	173	3.7	3.4
Japan .....	105	140	2.1	2.7
Other Countries .....	110	129	2.2	2.5
Total Imports from:				
United States .....	3,460	3,718	68.5	67.3
United Kingdom .....	519	589	10.3	10.7
Other Commonwealth .....	210	240	4.2	4.3
Other European Free Trade Area .....	60	66	1.2	1.2
European Economic Community .....	245	299	4.9	5.4
Latin America .....	350	340	6.9	6.2
Japan .....	70	103	1.4	1.9
Other Countries .....	136	164	2.7	3.0

### Balance of Payments

From 1958 to 1959, exports rose less than imports and the deficit on merchandise trade increased from \$156 million to \$378 million. However, toward the end of 1959 exports moved up sharply whereas the previous upward trend of imports moderated. Consequently, in the latter part of the year, the trade balance position improved markedly, this being reflected in an export surplus of \$35 million in the last quarter.

For the second consecutive year, the merchandise deficit in Canada's trade with the United States declined; from \$564 million in 1958 to \$538 million in 1959, as exports rose by 10.0 per cent and imports by 7.3 per cent.

In trade with the United Kingdom and Commonwealth countries, the Canadian export surplus fell from \$338 million to \$246 million as sales to these areas rose very slightly while imports increased by 13.5 per cent.

With all other countries, the merchandise balance changed from an export surplus of \$55 million in 1958 to an import surplus of \$96 million in 1959, as exports declined by 5.2 per cent and imports increased by 11.6 per cent.

When non-merchandise items are taken into account, Canada's total external deficit on current international transactions rose from \$1,085 million in 1958 to \$1,460 million in 1959.



This deficit on current account was covered by an inflow of capital funds. Canadian holdings of gold and U.S. dollars declined slightly in 1959 to \$1,869 million from \$1,939 million in 1958, this change being roughly equivalent to the transfer of \$62.5 million under the increased national quotas to the International Monetary Fund. The premium on the Canadian dollar was higher, on the average, than in the preceding year.

## Trade by Geographic Areas

### *Trade with the United States*

Export and import patterns of Canadian trade with the United States, which followed the normal upward trend in response to an expansion of United States and Canadian economic activity, were affected during 1959 by the prolonged steel strike in that country.

Exports, for example, after early weakness, rose in the middle months of the year, then slackened in the third quarter, and then from November on resumed an upward trend. These movements differed from those with other countries which, in general, showed some weakness for the first-half of the year followed by a strengthening at mid-year which steadily gathered momentum in the remaining months. The mid-year rise probably contained a strong element of anticipatory buying in expectation of a steel strike and the subsequent reduction, a reaction due to the strike itself. Another reflection of the strike was a very high level of iron and steel sales to the United States. On the other hand, iron ore shipments which rose to a total of \$158 million appear to have been affected only moderately.

With a higher level of industrial production, United States demand for industrial materials strengthened substantially. Copper, nickel, abrasives, asbestos and lumber increased noticeably while gains were also made in sales of newsprint, uranium ores, woodpulp, petroleum and fertilizers.

Farm equipment, rolling mill products and whisky were prominent in the increase in the manufactured goods sector.

In response to the changed conditions in the North American cattle market, prices of American and Canadian beef narrowed to a point where outward movement from Canada fell off rapidly, and, for 1959 as a whole, cattle sales were only half the 1958 value. Declines also occurred in shipments of aluminum, pulpwood, zinc, barley and oats.

While exports increased at the rate of 10 per cent, imports also rose in response to renewed buoyancy in the Canadian economy, but at a slower rate—7.3 per cent. Imports from the United States showed considerable strength prior to the steel strike but then levelled out as supplies of steel and related products were curtailed. The effect of the strike on import levels is difficult to gauge but the extent of the loss was undoubtedly reduced by anticipatory buying and production recovered quickly once operations were resumed.



Of the total increase in imports from the United States of \$286 million, automotive parts, particularly automatic transmissions, automobiles and farm machinery showed the largest gains. There was also a considerable advance in a wide range of consumer goods and foodstuffs, and, later in the year, the strengthening in Canadian capital investment began to be reflected in significantly higher purchases of machinery and equipment.

**Trade with the United States**

Canadian Exports	(\$ millions)
1958 .....	2,896
1959 .....	3,182
Canadian Imports	
1958 .....	3,460
1959 .....	3,718

*Trade with the United Kingdom*

The resumption of economic expansion in the United Kingdom appeared to lag behind that in the United States and, to a lesser extent, behind that of the major industrial countries of Western Europe. In consequence, the effects of this recovery on the level of Canadian exports were relatively mild during the year as a whole—an increase of 2.2 per cent. Towards the end of 1959, however, British demand strengthened, and in the last quarter of the year Canadian exports reached a record level for the period. The expansion was stimulated by the further removal of restrictions on imports into the United Kingdom.

Many of Canada’s major agricultural and industrial exports to the United Kingdom remained about stable between 1958 and 1959. Wheat and flour, flaxseed, woodpulp, aluminum, copper and lead remained virtually unchanged in export values in the two years.

Among the more notable changes taking place, exports of uranium ores rose from \$13.5 million in 1958 to \$33 million in 1959. Sales of oilcake and meal rose from \$6 million to \$15 million. For the first time in many years, Canada shipped a sizable quantity of butter to this market (\$6 million). Iron ore, newsprint paper, tobacco and zinc advanced more moderately.

Leading commodities in which export values declined were barley, canned fish, lumber, nickel, platinum and abrasives.

Purchases from the United Kingdom increased much more markedly, rising by over 15 per cent in 1959 from the 1958 level, a dollar increase of \$78 million. This was highly concentrated in larger sales to Canada of automobiles and parts, and other consumer durables and semi-durables.

**Trade with the United Kingdom**

Canadian Exports	(\$ millions)
1958 .....	777
1959 .....	794
Canadian Imports	
1958 .....	519
1959 .....	589

### *Trade with Other Commonwealth Countries*

With improvement in the general level of prices for raw materials and agricultural products, the basic export commodities of Other Commonwealth Countries, foreign exchange difficulties eased for most of these countries in 1959. Restrictions on dollar imports were considerably relaxed in several countries.

While for the year as a whole Canadian exports to this area were slightly below those of 1958, they showed marked gains of 9 per cent and 13 per cent in the third and fourth quarters respectively.

Exports of wheat to India were \$22 million lower than in 1958 when large shipments were made under long-term credit and aid arrangements to help meet the shortage situation prevailing at the time. On the other hand, South Africa was back in the market for wheat in 1959 purchasing \$15½ million worth of wheat against none in 1958. Wheat shipments to Pakistan and Ghana were also up.

Australia and South Africa also purchased substantially more newsprint paper in 1959. Sales of automobiles and parts to Australia were greater in 1959, as were those of aluminum to South Africa. Increased aluminum sales were also responsible for the sharp rise in export shipments to Hong Kong.

The general improvement in the prices of bulk commodities which these countries supply to Canada—wool, tea, sugar, bauxite and rubber—was the main factor in the 12 per cent increase in Canadian purchases of these goods in 1959.

**Trade with Other Commonwealth Countries**

Country	Canadian Exports		Canadian Imports	
	1958	1959	1958	1959
	(\$ Millions)			
Australia .....	53	54	33	41
India .....	79	54	28	29
South Africa .....	50	51	8	7
West Indies Federation .....	36	40	43	51
Pakistan .....	15	17	—	1
New Zealand .....	15	13	12	9
Hong Kong .....	6	11	9	13
Ceylon .....	6	5	13	15
Ghana .....	1	4	2	4
Other Commonwealth .....	32	37	62	70
Total .....	293	286	210	240

### *Trade with Western Europe*

A decline of \$85 million in sales of military aircraft to Belgium and West Germany, and reduced exports of wheat and copper to the Netherlands were the major factors in the lower level of Canadian sales to the countries

of the European Economic Community in 1959. Outside of these items, exports in general either remained steady or improved. Aluminum sales, particularly to France, West Germany and Italy were substantially above 1958 values. Iron ore exports to the Netherlands almost doubled. Flaxseed exports to West Germany and rapeseed to Italy strengthened in 1959. Asbestos and primary iron and steel showed more moderate gains.

There were few marked changes in the commodity pattern of Canada's exports to the continental members of the European Free Trade Area. Sales of wheat were down, with a larger proportion of the imports of these countries being supplied from other European sources. On the other hand, shipments of nickel and aluminum were up. Outside of these items, commodity exports were stable.

On the import side, purchases from Western Europe as a whole increased by 15 per cent, those from the EEC by 22 per cent. This increase was heavily concentrated in passenger automobiles and parts which rose from West Germany by \$6.6 million, from France by \$10.2 million and from Italy by \$0.5 million.

Imports from the countries of the EFTA, other than the United Kingdom, were small in relation to total imports, though Switzerland supplied a wide range of small consumer goods and electrical equipment.

#### Trade with Western Europe

Country	Canadian Exports		Canadian Imports	
	1958	1959	1958	1959
(\$ Millions)				
European Economic Community				
West Germany .....	202	130	106	127
France .....	45	44	41	58
Belgium-Luxembourg .....	70	56	36	45
Netherlands .....	75	54	30	31
Italy .....	30	32	33	38
Sub-Total .....	422	316	246	299
European Free Trade Area				
United Kingdom .....	776	789	527	597
Switzerland .....	29	26	27	25
Norway .....	56	62	3	4
Sweden .....	11	15	14	18
Austria .....	8	8	5	6
Denmark .....	5	6	8	10
Portugal .....	2	3	3	3
Sub-Total .....	887	909	587	663
Other Western Europe <sup>1</sup> .....	12	13	8	7
Total Western Europe .....	1,321	1,238	841	969

<sup>1</sup> Greece, Spain, Yugoslavia

## *Trade with Latin America*

The general strengthening in prices of raw materials and some agricultural products during 1959 improved, to a degree, the economic position of the countries of the area. One important exception was the continuing depressed price of coffee.

Canadian sales to Latin American countries declined slightly in 1959, but towards the end of the year, began to show a firmer trend. Where noticeable decreases did occur, as in sales to Brazil and Mexico, the decline was spread over a number of products and resulted from intensified restrictions on imports rather than actual loss of markets. Brazil, for example, bought less newsprint paper, railway rails, aluminum, electrical apparatus and zinc. Mexico reduced its purchases of aluminum very sharply, and of pulp and primary iron and steel more moderately. The marked gain in sales to Colombia represented an increase of exports of wheat grain from Canada; sales of wheat to Ecuador also rose by \$1 million. Venezuela, now Canada's largest market in Latin America, increased wheat purchases but sharply reduced those of wheat flour due to the establishment of new domestic capacity. Milk, egg and dairy product sales continued to increase, as did those of iron and steel goods and synthetic resins.

A major portion of Canada's imports from Latin America consists of crude petroleum from Venezuela. As a result of the expanding use of Canadian crude these purchases continued to decline, from \$210 million in 1958 to \$205 million in 1959. Other imports remained quite stable in 1959—lower coffee prices being offset by a larger volume of purchases. Of other major items, raw sugar imports from Cuba declined while cotton purchases in Mexico rose from 1958 levels.

### **Trade with Latin America**

Country	Canadian Exports		Canadian Imports	
	1958	1959	1958	1959
(\$ Millions)				
Venezuela .....	44	46	210	205
Mexico .....	36	28	32	35
Brazil .....	21	14	27	29
Cuba .....	18	15	19	12
Colombia .....	14	18	17	16
Peru .....	11	12	2	4
Argentina .....	6	7	5	3
Chile .....	5	6	1	1
Other Latin America .....	25	27	37	35
Total Latin America .....	180	173	350	340



## *Trade with Japan*

Canadian export levels to Japan are sensitive to the internal conditions of the Japanese economy. In 1959, these were extremely good and industrial production expanded rapidly. Japanese exports rose more rapidly than imports and throughout the year there was a steady accumulation of foreign exchange overseas.

Under these favourable conditions, Canada's export trade to Japan rose by one-third in 1959 to a record level of \$140 million. Wheat and flour sales figured prominently in this increase, rising from \$64 millions in 1958 to \$71 million. Other agricultural exports showing improvement were flax-seed and rapeseed. In industrial materials, exports increased in a wide range of commodities reflecting the increased industrial production in Japan. Exports of sulphate, pulp, iron ore, asbestos, aluminum and copper rose substantially, those of zinc and chemicals, more moderately.

Canadian imports from Japan also rose very rapidly in 1959 to \$103 million from the 1958 value of \$70 million. Textiles are by far Japan's largest export to Canada and much of the increase was concentrated in these goods. The rise, in addition, spread over a large range of light consumer goods such as boots and shoes, sewing machines, cameras and photographic equipment, hand tools and toys. Hardwood plywoods also made gains in the Canadian market during 1959. In several consumer goods fields in which penetration into the Canadian market has been extensive, the Japanese authorities have undertaken to limit sales by the establishment of export quotas.

### **Trade with Japan**

Canadian Exports	(\$ Millions)
1958 .....	105
1959 .....	140
Canadian Imports	
1958 .....	70
1959 .....	103

## *Trade with Other Countries*

Canadian trade with Communist bloc countries, on the export side, consists mainly of wheat and barley which fluctuate widely in amount and destination from year to year as local conditions dictate.

Russia purchased slightly less wheat in 1959 and virtually no barley against 5 million bushels in 1958. Communist China bought no grains in 1959, but small amounts of copper, nickel, drugs and chemicals. Poland, on the other hand, re-entered the market for both barley (5 million bushels) and wheat (6 million bushels).

Imports from these countries rose slightly from \$15 million in 1958 to \$17 million in 1959. These are largely composed of edible nuts, some types of textiles and brushes from Communist China and a wide range of consumer goods from Czechoslovakia.

Commodities of considerable quantitative importance in Canada's trade with the remaining countries of the world include wheat and flour and woodpulp exports to the Philippines and imports of crude petroleum from Arabia. As Philippine milling capacity increased in 1959, flour sales there declined which was compensated for, in part, by higher grain sales. Woodpulp sales to the Philippines showed a marked increase. Crude oil imports from Arabia increased moderately to \$71 million in 1959 from \$68 million in 1958.

### Trade with Other Countries

Country	Canadian Exports		Canadian Imports	
	1958	1959	1958	1959
(\$ Millions)				
Communist Bloc Countries				
U.S.S.R. ....	18.9	12.7	1.7	2.3
China ....	7.8	1.7	5.4	4.8
Poland ....	0.6	15.7	1.3	1.8
Czechoslovakia ....	1.4	1.4	4.9	6.5
Other ....	1.6	2.3	1.8	1.2
Sub-Total ....	30.3	33.8	15.0	16.6
Remaining Countries				
Arabia ....	2.0	2.9	68.0	70.7
Philippines ....	14.1	14.9	2.2	1.4
Indonesia ....	1.7	1.8	—	—
Other ....	33.8	44.2	50.8	75.4
Sub-Total ....	51.6	63.8	121.0	147.5
Total Other Countries ....	81.9	107.6	136.0	164.1

## B. TRADE POLICY DEVELOPMENTS

### 1. GENERAL

There were many significant developments in 1959 affecting Canada's international trade relations. The pace of the reduction of barriers to Canadian trade, which persisted in the post-war period, accelerated in 1959. Simultaneously, the emergence of regional trading blocs, particularly in Europe, brought more clearly into focus major implications for the established patterns of trade and for international trading relations generally.

Of immediate and direct trade interest to Canada were the extensive measures taken, particularly by the more industrialized countries, in dismantling import restrictions and eliminating discrimination. The marked improvement in the trade and payments position of the more industrialized countries, which had made possible a very substantial relaxation of balance of payments restrictions on trade during 1958, culminated in the introduction of external convertibility of the currencies of the major European countries in December. These favourable developments continued during 1959 so that by the end of the year, and for the first time since the war, Canadian exporters enjoyed generally unrestricted access to the markets of many countries. Formal recognition was given to the improved world situation in a decision taken by the International Monetary Fund in October in which it was agreed that, in general, there was no longer any balance of payments justification for discrimination through import controls. In line with the Fund and GATT obligations, most countries are now expected to proceed rapidly to remove remaining discriminatory controls and to eliminate non-discriminatory restrictions as their improved balance of payments and reserve positions permit.

Progress in the removal of restrictions founded on balance of payments difficulties has focused attention on trade barriers maintained for other reasons, particularly in the field of agriculture. To this end, and in the interest of other trade policy objectives, Canada took an active part in the international discussions under GATT described later in this section.

Apart from the continuing difficulty posed by U.S. restrictions on lead and zinc imports, 1959 was marked by a steady improvement in Canada's trade and commercial relations with the United States. By the end of the year, Canadian exports were running at record levels and trade between the two countries was moving gradually towards a better balance. Consultations between the United States and Canada at all levels of government were further developed and intensified. Among the fruits of the closer understanding so fostered were the removal of American controls on the import of Canadian oil and the easing of United States surplus disposal pressures on Canadian wheat markets abroad.

Several developments in Canada's trade relations with Commonwealth countries in 1959 were foreshadowed by understandings reached at the Commonwealth Conference of 1958 in Montreal. Among such developments were



the conclusion of a new Trade Agreement with Australia, continued progress in the removal of discriminatory import restrictions throughout the Commonwealth, and the co-ordination and improvement of economic consultative machinery maintained by the Commonwealth countries. Further measures in this field, particularly a review of trade agreement relationships with the West Indies, remain to be taken when the prior arrangements envisaged at the Montreal Conference are concluded.

As regards the European Economic Community and the European Free Trade Association, Canada's preoccupations in 1959 were that these regional arrangements involved basic issues affecting the terms of access for Canadian exports into thirteen major markets in Western Europe. The Canadian Government continued to impress upon the national and central authorities concerned, the importance which Canada attaches to decisions and policies which encourage the continuation and further expansion of Canada's trade.

At the end of the year, arrangements involving closer Canadian and U.S. association with their trading partners in Europe were initiated. A Communiqué, issued by the Heads of the Governments of the United States, the United Kingdom, France and Germany on December 20th, invited eleven European countries, the United States and Canada to meet to consider, among other things, the need for, and methods of, continuing consultations to deal with problems arising from the existence of the two regional European economic organizations. This meeting was scheduled to be convened in mid-January of 1960. Canada welcomed the opportunity to take part in the proposed discussions and indicated willingness to make whatever contribution it could to the resolution of outstanding difficulties consistent with Canada's trading interests and the expansion of world trade generally.

The General Agreement on Tariffs and Trade continued to be a major instrument in Canada's international trade relations during 1959. Canada's post-war commercial policy has been directed to the establishment of a world-wide system of trade and payments in which Canadian exports would have access to world markets on a basis of equality with other suppliers. The international institutions set up at the end of the war—the GATT and the IMF—are directed to these objectives and commit countries to the principle of non-discrimination in trade and payments. Work within the GATT framework was substantially intensified in 1959. A series of meetings was held, including two full-scale conferences, the first in Geneva in May and the second in Tokyo in October-November.

The GATT program for the expansion of international trade, initiated in 1958, was pursued energetically. Arrangements were made for the convening of a general tariff conference in September 1960. This conference will have as its first task negotiations with the countries of the European Economic Community, designed to ensure that the Common Market tariff to be established in Europe will not be restrictive of trade. In addition, there will be an opportunity for Canada, through new negotiations, to obtain improved tariff access to the European and other markets.



Also within the GATT framework, countries are addressing themselves to the problems arising out of widespread agricultural protectionism throughout the world. In 1959, consultations were held with sixteen countries on their agricultural policies and the effects of the restrictions they maintain on trade in agricultural products. Consultations with the remaining GATT countries are scheduled to be completed by the end of 1960. In approaching this matter, Canada has taken the position that, while it would be unrealistic to expect that national measures to support agriculture will be rapidly eliminated in their entirety, countries should together be prepared to examine whether downward adjustments in the level of tariff and non-tariff barriers to trade in agricultural products are not possible and desirable, both from the trade and domestic points of view.

The GATT countries also addressed themselves during the year to the special problem of trade between the less developed and the more industrialized countries of the world. A series of consultations was held to explore the difficulties of the less developed countries and to seek adjustments. This program is to be carried forward in 1960.

During 1959, the GATT forum provided an opportunity to continue close consultations with the countries of the European Economic Community with respect to their common market arrangements and the effects of these arrangements on the trade of Canada and other outside countries. There were detailed discussions on the association of the overseas territories of the EEC countries with the Common Market and the implications of this for the trade in a number of tropical products, tobacco, aluminum, lead and zinc. Canada entered actively into this work with a view to safeguarding Canadian trade interests. Work was also initiated on the matter of competition from low-cost imports and arrangements made for an intensive investigation of the various aspects of this increasingly important international issue.

## 2. CANADA AND THE COMMONWEALTH

There were a number of notable developments in Canada's trade relations with the Commonwealth in 1959. A new Trade Agreement was concluded between Canada and Australia. Commonwealth countries made major progress towards removal of discriminatory import controls affecting Canadian exports. The United Kingdom entered into the European Free Trade Association. The Federation of the West Indies continued discussions regarding the establishment of a Customs Union among its members. New Commonwealth consultative arrangements were established, in line with decisions taken at the Commonwealth Conference in Montreal, in 1958.

The European Free Trade Association is considered more broadly in the section, "Canada and Western Europe". The entry of the United Kingdom into the EFTA of the Seven will affect Canada's preferential tariff position in the United Kingdom market, in relation to members of the Seven. Most Commonwealth products enter the United Kingdom duty-free, and implementation of the EFTA will not affect this access. U.K. preferences in favour of

the Commonwealth exist for those items which are dutiable when imported from non-Commonwealth sources. For industrial items, implementation of the EFTA involves eventual duty-free entry into the U.K. of products of other members of the Seven; to that extent, preferences available to other Commonwealth countries will be reduced.

The U.K. also agreed to remove tariffs on certain agricultural items in connection with EFTA. The tariff on Danish bacon and canned pork luncheon meat is to be removed by July 1, 1961; the U.K. tariff on frozen fish fillets from the Seven is to be removed over a 10-year period. As a result of representations from Canada, the U.K. established a quota for frozen pork from dollar sources of 25,000 tons, for the year beginning January 1, 1960.

The new Canada-Australia Trade Agreement was negotiated in Canberra in March and April, 1959 and was expected to be signed early in 1960. It will come into force when ratified by the two Governments. The Canadian Delegation to the Canberra negotiations was led by the late John H. English, Deputy Minister of Trade and Commerce. The agreement provides increased safeguards and improved access for Canadian exporters to Australia. In addition to receiving British preferential tariff treatment on most products, Canada will be accorded some important new concessions. In particular, Australia has undertaken to bind against increase the actual rates of duty on a number of products of interest to Canada including canned salmon and sardines, sausage casings, knitting machine needles, office machinery, some chemicals, paper makers' felts, and asbestos. Australia will bind the existing margins of preference on most products of interest to Canada. The new Agreement also contains provisions relating to the suspension of margins of preference in Australia through administrative action, the use by both countries of anti-dumping duties and the establishment of machinery for consultation on trade and economic matters.

Most Commonwealth countries during 1959 relaxed their import controls on dollar goods in line with the understandings reached at the Commonwealth Trade and Economic Conference. The United Kingdom, in two major liberalization moves, eliminated restrictions from 145 items, many of which were in the field of foodstuffs and manufactured consumer goods. The liberalized items of particular interest to Canada included fresh and frozen fish, cheese, eggs, honey, cereal breakfast foods, canned soups and vegetables, motor vehicles, textiles and clothing, certain paper manufactures, domestic electrical appliances, and footwear.

Australia removed dollar discrimination from all its imports except motor vehicles, certain textiles and a few other consumer goods. It also relaxed restrictions on a wide range of items including many of special interest to Canada. Although New Zealand intensified import restrictions early in the year because of a worsening in the balance of payments position, discrimination was removed from most dollar goods. During the course of the year as New Zealand's trade position improved, import restrictions were progressively relaxed. By the end of 1959, New Zealand had removed special dollar controls from all items except motor vehicles and lumber.



In the Federation of Malaya, in Singapore and in the Federation of Rhodesia and Nyasaland dollar controls were removed from all but a few items. Most of the Colonial territories of the United Kingdom also dismantled practically all of their trade restrictions during 1959. In addition, there were minor liberalization moves in Pakistan, South Africa and Ghana.

In the West Indies, two major steps took place leading towards the liberalization of imports and in the light of these developments it was decided to terminate the *West Indies Trade Liberalization Plan*. The Plan was originally established in 1951 in order to provide access to the West Indies for Canadian goods which would otherwise have been completely excluded by import restrictions. As controls were removed, the scope of the Plan was progressively reduced and by September 1959, most Canadian exports were entering the West Indies without restriction.

Canada, therefore, agreed with the United Kingdom and the West Indies to terminate the Liberalization Plan effective December 31, 1959. However, in view of the fact that some West Indian territories were still maintaining controls on a considerable number of items of interest to Canadian exporters, Canada sought, and received, formal assurances that the West Indies would consult about licensing arrangements for products covered by the Plan which were not yet liberalized, on the understanding that access generally to West Indian markets for Canadian exports of these products would be on terms no less favourable than in the past.

Discussions continued during 1959 between the various West Indian Territories regarding the establishment of a customs union in the new Federation. These developments were followed closely by the Department. As agreed at the Montreal Conference, the timing of the revision of the Canada-West Indies Trade Agreement of 1926 will be dependent on the progress which the Federation makes towards a customs union.

The Commonwealth Conference in 1958 had decided to co-ordinate and improve existing arrangements for economic consultations and co-operation among member countries. Accordingly, the Commonwealth Consultative Economic Council was established in 1959. The Council met at the level of senior officials in May, and at the level of Ministers in September of 1959, each time in London. In addition, the Canada-United Kingdom Continuing Committee met in early July, to discuss matters of particular interest to the two countries. The Department was represented on each occasion.

### 3. CANADA AND THE UNITED STATES

Canadian exports to the United States reached a record level of \$3.2 billion in 1959, a year characterized by relatively few disturbances in trade relations between the two countries. The increase in exports occurred not just in a limited number of commodities but in a broad range of products, thus stressing the vast importance and potential of this market for the

Canadian export trade. In a situation where the United States continues to be by far Canada's best customer, and Canada that of the United States, co-operation in the field of commercial policy is a prime consideration.

Early in 1959, the Joint United States-Canadian Committee of Trade and Economic Affairs met for the fourth time, in Ottawa. Composed of cabinet ministers of the two countries, the Committee reviews developments in the world economic and commercial situation and examines various issues bearing on their trade and economic relations. An even closer understanding and appreciation of the interests of the two countries was reached at the Ottawa meeting and there were useful discussions on matters of common interest—not only of a bilateral nature but also in the wider international field.

The Committee discussed the problems for Canada arising out of the United States program for surplus disposal of agricultural products and it was agreed that these should be kept under continuing review in an effort to reach an equitable solution. Arrangements were made for quarterly meetings of wheat experts from the two countries to deal with any problems which might arise in this field.

During the year, there was little change in the United States policy of import restrictions on certain agricultural products; annual import quotas remained in force on wheat and flour, rye, cheddar cheese and dried milk products. The U.S. import quota on rye which had been imposed for a 2-year period, terminated on June 30, 1959, but was re-imposed on August 5th, effective until June 30, 1960. The United States began a re-examination of its import quotas on Italian and Dutch-type cheese to determine whether the restrictions should be eased. Cheddar cheese quotas, of interest to Canada, were not included in this study.

A solution was still to be found with regard to the restrictions on imports of lead and zinc imposed by the United States in October, 1958. These restrictions limit Canadian shipments to 80 per cent of the average annual shipments in the base period 1953-57. While the value of such Canadian exports to the U.S. in 1959 was \$51 million, the restriction constitutes an impairment of United States trade agreement obligations to Canada and its continued application is a matter of serious concern. The Canadian Government has continued to press the United States strongly on this issue. A special investigation, ordered by the United States Senate, into the domestic lead and zinc industry to determine whether or not additional restrictions on imports were needed was undertaken by the United States Tariff Commission but not completed during the year. This investigation, in common with escape-clause investigations, added to the uncertainties facing Canadian exports of items concerned.

Under United States law, the Tariff Commission is required to undertake an escape-clause investigation, whenever requested by interested parties, to determine whether, as a result of tariff concessions made in trade agreements, imports of a product are causing injury to a United States industry.



Such investigations tend to inhibit trade because of the constant risk of resultant tariff increases or import quotas which can have serious consequences for the Canadian exporter of the products so investigated.

During 1959, there were a number of escape-clause investigations of importance to Canada involving the following multi-million dollar trade items: mink fur skins, calf leather, hardwood plywood, and red fescue seed. In no case, however, was any adverse action taken and the trade-agreement tariff rates remained undisturbed. A favourable development was the withdrawal on July 1st of escape-clause actions taken by the United States on alsike clover seed.

With regard to United States restrictions on crude oil imports, the voluntary controls which were in force in the early months of 1959 were replaced by a mandatory import control system. As a result of strong representations by the Canadian Government, overland oil imports from Canada were freed from import restrictions by a Presidential Proclamation issued in April, 1959. The value of such Canadian oil exports to the United States during 1959 was accordingly sustained at \$70 million.

There were no changes of importance in United States tariffs during the year. Over one-half of Canadian shipments continue to enter the United States completely free of duty and much of the rest at low rates of duty. Under the General Agreement on Tariffs and Trade, which is the basic trade agreement between the two countries, the United States has undertaken not to increase tariffs on practically all products of interest to Canada.

During the year, the GATT membership agreed to hold a general round of negotiations in the winter of 1960-61 with a view to reducing tariffs. The United States Government announced that it was proceeding with a detailed study of its tariffs in preparation for these negotiations. There is the likelihood, therefore, of further reductions in the United States tariffs on products of interest to Canadian exporters and this should further expand the market not only for traditional Canadian goods but also for the numerous new products being developed by Canadian industry.

In the field of trade cooperation an interesting initiative was the creation of the Canada-United States Interparliamentary Group. Comprising legislators of both countries, the Group held its first two meetings during the year, in Washington in January and in Ottawa and Montreal in June. The purpose of the Group is, through continuing, informal meetings, to exchange information on national accomplishments and aims, and to promote mutual understanding on matters of major interest to either nation.

#### 4. CANADA AND WESTERN EUROPE

In Western Europe, the development of regional trading arrangements was of major interest during the year. The European Economic Community (EEC) took further strides in implementation of the Rome Treaty. Separately, arrangements were worked out for the setting up of the European

Free Trade Association (EFTA) between the United Kingdom, the Scandinavian countries, Austria, Switzerland and Portugal. The development of these two important regional economic blocs in Europe inevitably has far-reaching implications, not only for the European countries themselves, but also for economic and trade relations throughout the world.

The European Economic Community of France, Germany, Italy, Belgium, the Netherlands and Luxembourg aims at creating a customs union of some 160 million people with a common tariff and common economic policies towards the outside world. The Treaty calls for the implementation of these arrangements over a period of some twelve years. On January 1st, the first steps in the elimination of tariffs were taken with a reduction of 10 per cent in the rates of duty imposed on trade within the Area and by an increase of 20 per cent in the quotas maintained by the member countries on each other's trade. In order to reduce the extent of tariff differentiation which this move would inevitably involve at this stage, some of these reductions were extended to Canada and other countries on a most-favoured-nation basis. This applied particularly in respect to those tariffs presently in force in France and Italy which were higher than the expected level of the common tariff. The next stage in the reduction of tariff barriers within the Area is scheduled to take place on July 1, 1960.

Among the major tasks of the countries of the EEC during 1959 was reaching agreement on the level of the common tariff to be applied to a number of important items which had not been settled when the Rome Treaty was negotiated. These included the rates on a number of products of particular significance to Canada, such as aluminum, lead and zinc, synthetic rubber, timber and woodpulp. These negotiations had not been completed by the end of the year. While these discussions were in progress, Canada took every opportunity to urge the member countries to establish rates of duty which would not impair the continuation and further development of Canadian trade.

Another major issue faced by the EEC, or Common Market countries was the task of working out their common agricultural policy as provided in the Rome Treaty. Extensive work was done in the institutions of the EEC, including the Common Market Commission, and toward the end of the year, the Commission submitted its recommendations on the agricultural measures to be adopted in the Community for the consideration of the member countries. These proposals envisaged the continuation of protective trading arrangements in the field of agricultural products within the Community, including the use of centralized marketing arrangements for some products, the maintenance of quantitative restrictions and the imposition of additional import levies to protect the European agricultural economy. It remains to be seen how protective the arrangements which are ultimately adopted will be. Canada formally expressed to the six EEC countries its concern over the possibility of restrictive arrangements. The Six were urged to adopt arrangements which would not be restrictive of trade, but would permit Canada to



maintain a fair share in their markets for wheat and other agricultural products, together with an opportunity to expand sales on a competitive basis as the EEC economy grows.

While the six EEC countries proceeded with implementation of their Treaty for a Common Market, the United Kingdom, Norway, Sweden, Denmark, Austria, Switzerland and Portugal, following the breakdown of negotiations for a Europe-wide industrial free trade area at the end of 1958, initiated negotiations among themselves in March, 1959, looking to a Free Trade Association of the Seven. The Stockholm Convention was signed on November 20th and it was expected that ratification of the Convention would be completed by the end of March, 1960. The Convention for the European Free Trade Association provides for the progressive achievement of free trade among the Seven countries through the removal of tariffs and other trade barriers over a period of ten years. The first 20 per cent tariff cut among themselves is scheduled to be made on July 1, 1960. Unlike the EEC, the EFTA does not provide for a common tariff, but, subject to certain provisions for consultation, each country will be free to maintain and to alter its own tariff and to pursue a generally independent commercial policy. The Seven are not aiming at complete economic integration. Non-European overseas territories of the member countries are not included in the arrangement. The obligation to remove tariffs and quantitative restrictions on trade within the Area does not, in general, extend to trade in agricultural and fisheries products. However, special arrangements are envisaged for these and a number of bilateral agreements have been concluded on trade in agricultural products among members of the Association.

One of the declared objectives of the Seven in forming a Free Trade Association is to facilitate the early establishment of an association for the removal of trade barriers and the promotion of closer economic cooperation with the countries of the European Economic Community.

Apart from the growth of these regional trade groupings, a major development in Europe during 1959 was the substantial progress made in the relaxation of quantitative restrictions on trade. France and Spain, which had until the end of 1958 maintained restrictions on all imports, took extensive liberalization measures in 1959. Denmark, Finland, the Netherlands and Norway removed discrimination against dollar imports so that Canadian exporters are now on an equal basis in these markets in competition with all other suppliers. Italy and Austria also removed a substantial number of restrictions maintained on dollar imports. Greece was the only Western European country which imposed new quantitative restrictions on trade during 1959. These forward moves were made possible by the continued substantial improvement in the trade and payments position of Western European countries. In 1957, economic recovery was such that the International Monetary Fund declared that Germany was no longer justified in maintaining restrictions for balance of payments reasons. During 1959, both the Netherlands and Italy similarly reached a trade and payments position which made balance of payments restrictions no longer necessary.

Following the Fund's declaration, Germany submitted to the GATT a program for liberalizing imports of a number of items. The maintenance of German import controls on a substantial number of items in the new circumstances was the subject of a GATT examination last May. Under the terms of a waiver agreed upon by Germany and the Contracting Parties, Germany undertook to relax controls on a number of remaining imports. In respect of a hard core of agricultural and certain industrial imports, however, the waiver allows the Federal Republic to maintain controls for a period of three years. Canada and other countries concerned urged Germany to continue progressing towards the elimination of restrictions on imports, and to comply fully with the obligation to avoid discrimination in the use of such restrictions as are still applied.

## 5. CANADA AND OTHER COUNTRIES

A feature of activity in Latin America during the year was the continued progress among a number of these countries towards measures of trade integration. In September 1959 at Montevideo, a draft Agreement on a Latin American Free Trade Area was initiated by a number of countries, and was expected to be signed in 1960 by Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay. Objective of the Agreement is to eliminate duties on trade among members over a period of twelve years.

In June 1959, the Central American Free Trade Treaty came into force for an initial period of 10 years. The Treaty was ratified by Guatemala, El Salvador, and Nicaragua. Costa Rica and Honduras have indicated interest in acceding to the Treaty.

In general, there were mixed trends in the field of trade restrictions in Latin America, during 1959. Argentina, Chile and Colombia were among the countries which reduced barriers to imports during the year; Cuba and Venezuela were among the group which, in order to conserve foreign exchange, intensified regulation of their imports in various ways; Peru introduced import surcharges for a considerable number of non-essentials. Brazil's shortage of foreign exchange persisted throughout 1959, and strict import restrictions were maintained, together with multiple exchange rates which tended to favour certain bilateral account countries which compete with Canada. During the year, representations were made in relation to a number of trade matters such as exports of fish to Brazil and flour to Cuba.

Exports to Latin American countries declined slightly in 1959 but began to show a firmer trend towards the end of the year. Imports from Latin America in 1959 underwent a decline as a result of lower imports of oil and sugar offset, in part, by a rise in such imports as cotton. In general, this region with its potential for considerable economic growth continues to be of substantial interest to Canadian exporters.

A feature of governmental activity affecting trade throughout Asia and the Middle East in 1959 was the gradual but steady movement towards reduction of restrictions on imports. Japan, Turkey, Iran, Iraq, Sudan and



Burma took steps to reduce discrimination and restrictions on imports. Japan indicated that a program of liberalization over the next few years is intended. Indonesia, however, imposed strict import regulations, following new internal currency measures. At the GATT meeting in Tokyo last October, Canada urged Japan and other countries maintaining import restrictions to remove discrimination and reduce restrictions on trade.

During 1959, Departmental officers were active in promoting trade in Asia and the Middle East, which not only includes a major trading partner, Japan, but also comprises a number of countries in the process of development whose markets may be of growing interest in the future. Exports to Asian and Middle Eastern countries (apart from Commonwealth countries) rose from about \$150 million in 1958 to over \$190 million in 1959. Imports from the same group were about \$152 million in 1958, and an estimated \$200 million in 1959. Japan continued to be the leading trading partner of the group, accounting for about \$140 million of Canadian exports, and about \$103 million of Canadian imports in 1959.

During the year, Canada and Japan held discussions with regard to the export quotas maintained by Japan for certain textiles, hardwood plywood, and stainless steel flatware. These discussions were scheduled to continue early in 1960.

Similarities in production as between Canada on the one hand, and the U.S.S.R. and Eastern Europe on the other, tend to limit trade opportunities with these countries. Nevertheless, such opportunities exist and the Department has participated actively in promoting the development of trade with this area, and in exploring the longer-term outlook for conducting trade on a fair and mutually advantageous basis.

The Trade Agreement between Canada and the U.S.S.R. expired at the end of February 1959. This Agreement had provided for an exchange of most-favoured-nation treatment, as well as guaranteed purchases of wheat by the Soviet Union. Discussions with Soviet authorities looking towards a renewal of the Agreement continued during the year, and most-favoured-nation treatment continued to be extended to the U.S.S.R. in this period.

Canada's trade arrangements with two countries of Eastern Europe, Poland and Czechoslovakia, provide for the exchange of MFN treatment. Czechoslovakia is a GATT member, and in 1959 Poland discussed with GATT members the possibilities of exchanging trade concessions in line with the principles of the General Agreement. Poland has in the past purchased Canadian grain under credit arrangements. In November 1959, a further arrangement was concluded, bringing Poland's agreed purchases of wheat and barley in 1959 to approximately \$32 million.

The Trade Commissioner office in Hong Kong maintains commercial contacts with Communist Chinese trading agencies, and, in particular, endeavours to promote effective export liaison. Communist Chinese imports from other countries are channelled through state-trading organizations. The nature of Canadian exports to this destination varies from time-to-time.

Some years ago, fertilizers were the chief export and in 1958 the sale of \$7.0 million worth of wheat accounted for a rise in exports. Sales in 1959 at \$1.7 million were mainly non-ferrous metals, chemicals, and medical apparatus. Imports from Communist China remain relatively steady and in 1959 amounted to \$4.9 million, mainly traditional consumer items. Communist Chinese products enter Canada under the MFN tariff.

## 6. INTERNATIONAL COMMODITY CONFERENCES AND AGREEMENTS

### Cocoa

Throughout the year, members of the Department attended meetings of the FAO Cocoa Study Group, including a technical discussion group held at Accra, Ghana. Canada is represented at these meetings in the capacity of an observer only.

### Coffee

During the year, Canada signified its intention to become a member of the International Coffee Study Group which is situated in Washington, D.C. The purpose of this Group, originally established in June 1958, is to provide an international forum for the discussion of coffee problems, to compile statistics and to study problems of world coffee supply and demand. An inter-governmental body, the Group is attended by representatives of 33 countries in Washington.

### Cotton

The International Cotton Advisory Committee was founded in 1939 and has at the present time thirty-two members. The membership is made up of both users and growers of cotton. None of the so-called Communist Bloc countries are members of this organization although membership is open to all nations. In addition to an Annual Plenary Meeting, there are monthly meetings in Washington of a Standing Committee of which Canada is a member.

The function of this body is to observe and to keep in close touch with developments in the world cotton situation and to advise the governments represented of any measures the Committee considers suitable and practicable to effect stability in world cotton markets.

During the last Plenary Meeting, Canada took a stand against the subsidy which is afforded United States exporters of raw cotton and which has caused a number of Latin American as well as other exporting countries to make complaints against this practice. Canada is interested in seeing that fluctuations in income from cotton exports in these countries do not interfere with their normal ability to import goods from abroad.

A recent development has been the formation of a group of cotton exporting countries within the ICAC which held its first meeting in Cairo. The purpose of this group is to promote the interests of exporting countries within the Committee.

The statistical data and information disseminated by the ICAC is very useful to the Department as well as the Canadian Primary Textile Industry. This source of information on cotton statistics in the principal producing and consuming countries is recognized as being the most authoritative available.

## **Lead and Zinc**

Markets for lead and zinc continued to be depressed throughout the first quarter of 1959 and the United Nations Lead and Zinc Committee met in New York in April to resume studies of the situation started the previous year. This meeting was immediately followed by an inaugural meeting of a continuing Lead and Zinc Study Group.

The significant development between meetings in Geneva (November 1958) and New York (April 1959) had been a growing fear of further restrictive action on the part of the United States as a result of pressures on the U.S. Administration from within Congress.

One of the first steps taken at the New York Conference was the setting up of a special statistical working party. The findings of this committee showed clearly the extraordinary inflexibility of world lead and zinc production over recent years in face of obviously mounting surpluses. The world industry had plenty of warning of trouble, but found it practically impossible to adjust its policies as non-commercial stocks and surpluses in producer hands, mostly in the United States, continued to increase.

The position taken by Canada in New York was basically unchanged from that taken at previous meetings. However, prior to the conference, Canadian industry announced its intention to reduce its exportable production of lead and zinc until the market for these metals stabilized. This fact was quickly drawn to the attention of the conference and, once the statistical position was established, resulted in similar announcements of voluntary adjustments by other world producers in preference to any form of inter-governmental agreement.

At the Conference, the Canadian Delegation made it clear that Canada was willing to examine the possibility of developing an international commodity agreement providing all major importing and exporting countries shared fairly in any adjustments in production and exports which such an agreement might involve. The delegation reiterated its statements that in the Canadian view, the imposition of import quotas by the United States contravenes the terms and spirit of the GATT.

At year end the situation in zinc had improved appreciably and was near to normal while progress in lead was much slower.

## **Rubber**

The International Rubber Study Group came into force in January 1945 as a means of studying the world problems relating to the production, consumption and trade in rubber. Twenty-two countries are members of the Group and meetings have generally been held once a year. The main



work of the Group during the year, other than the usual forecasts of rubber production and consumption, consisted of efforts to achieve better statistical information and a comprehensive analysis of available data was provided for members to study and improve where possible. Since one of the important functions of the Group is the provision of statistical information on rubber trade, Canada expressed concern at meetings this year over the fact that whereas this country provides fairly full information on production of synthetic rubber, even though there is only a single producer, most of the other members have not been providing similar data.

Natural rubber supplies became tighter during the year and resulted in prices increasing substantially over 1958 levels. Although production of natural rubber was at an all time high, consumption was even higher, caused in part by buoyant world conditions and in part by unforeseen and relatively high imports by Communist countries.

During September 1959, both the United States and the United Kingdom announced plans to dispose of a portion of their natural rubber stockpiles. As a result of these two actions prices eased off in the latter months of the year. However, forecasts are for continued high consumption of natural rubber with no appreciable increase in production, which should continue to keep prices firm and will be of assistance to the economies of the larger producers such as Malaya, Indonesia and Ceylon. This firmness of the market has served to lessen the interest of those countries which, at recent Group meetings, have been seeking a commodity agreement to ensure an adequate market for natural rubber.

Synthetic rubber continued to increase in production and consumption in 1959 with new plants continuing to be built in various countries of the world. To a large extent, synthetic rubber has acted to fill any shortage of natural rubber that exists and it is anticipated that future increased demands for rubber will be met largely with new supplies of synthetic rubber. World prices of synthetic rubber did not increase during the year.

## Sugar

The International Sugar Agreement became effective January 1, 1959, and is to run until December 31, 1963. The general objectives of the Agreement are to assure supplies of sugar to importing countries, and markets for sugar to exporting countries, at equitable and stable prices; and, by these and other means, to facilitate steady increases in the consumption of sugar and corresponding increases in the supply of sugar, to contribute to the improvement of the living conditions of consumers throughout the world; and to assist in the maintenance of the purchasing power in world markets of producing countries or areas, and especially those whose economies are largely dependent upon the production or export of sugar, by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages; and, in general, to further international co-operation in connection with world sugar problems.



The Agreement provides for a system of quotas for export of sugar by exporting countries. Such quotas may be reduced or increased within limits according to the price range provided in the Agreement. The responsibility for enforcing the export quotas lies with each member exporting country.

Of the various provisions in the Agreement, the principal obligations affecting Canada, as a net importer, are requirements to furnish regularly statistical and other information, particularly with reference to imports, exports, production and consumption of sugar, changes of tariff, etc. Imports of sugar from countries which do not participate in the Agreement are restricted, except under specific provisions.

Forty-four countries signified their intention to participate in the Agreement. Ratification of the Agreement has been extended to April 1, 1960.

## Tin

Import controls on tin imposed in October 1958 were removed in March 1959, shortly after an agreement had been reached between the Chairman of the Tin Council and the U.S.S.R. whereby the latter would limit its tin exports to Western countries to a reasonable level during 1959. The level agreed to was 13,500 tons.

During the course of the year, the International Tin Council met four times and in view of the progressive stability of the tin market it increased the total permissible export amount for the six producing countries from 23,000 tons at the meeting in February to 36,000 tons at the December meeting. This last rate is for shipment during the first quarter of 1960 and represents approximately 95 per cent of exports prior to control which started in December of 1957.

At the May meeting of the Council, arrangements were made for the disposal through the Council's Buffer Stock Manager of 2,500 tons of tin from the non-commercial stocks of the United Kingdom.

A number of meetings of the Technical Committee of the Council took place during 1959. The purpose of this Committee was to draft a new Tin Agreement to succeed the current one expiring on June 30, 1961. A final draft of a new agreement, with important changes made in the light of experience with the present agreement, was forwarded to the United Nations for submission to a United Nations Conference early in 1960.

## Wheat

A new International Wheat Agreement, the fourth since 1949, was concluded at the Second Session of the United Nations Wheat Conference. This Session opened at Geneva on January 27 and closed on March 10, 1959. The Agreement was open for signature in Washington, D.C. from April 6-24, and the Canadian Ambassador to the United States signed on behalf of Canada on April 22. The Canadian Delegation to the Second Session was led by Mr. J. H. Warren, Assistant Deputy Minister (Trade Policy) and

included, as on previous occasions, leaders of the chief producer organizations in Alberta, Manitoba and Saskatchewan who are members of the Advisory Committee of the Canadian Wheat Board, as well as representatives from the Canadian Wheat Board and officers of the Department from headquarters and abroad, and also from the Department of External Affairs.

The new Agreement entered into force on August 1st, 1959, for three years, expiring on July 31, 1962.

The new International Wheat Council now includes nine exporting countries: Italy, Mexico and Spain, formerly importing countries, as well as Argentina, Australia, Canada, France, Sweden and the U.S.A.; and twenty-eight importing countries, including the United Kingdom and its overseas dependent territories. Four other importing countries, members of the previous Agreement, are expected to accede to the new Agreement.

The objectives of the Agreement have been significantly broadened to include the promotion of expanded international trade in wheat and of the freest possible flow of this trade, the overcoming of the effects of burdensome surpluses and critical shortages, the encouragement of the use and consumption of wheat and the furtherance of international cooperation generally concerning wheat problems.

Under the new Agreement, the International Wheat Council will have increased powers and functions. It is authorized to hold an annual review of the world wheat situation, due regard being given to the work of other inter-governmental bodies, such as the FAO. The annual review will cover, in the light of the latest information available, developments in national production, stocks, prices and trade, including surplus disposals and special transactions, details of which must be supplied to the Council.

In the preceding Agreements, exporting countries undertook to supply guaranteed quantities to importing countries when prices reached the maximum price; and importing countries undertook to purchase guaranteed quantities from exporting countries when prices reached the minimum price. This has now been abandoned in favour of a continuing obligation by individual importing countries to purchase, when prices are below the maximum price, a specified percentage set out in an annex to the new Agreement, of their annual commercial imports.

When prices reach the maximum price, the exporting countries undertake to make available to the importing countries, if they so request, quantities based on the average of commercial purchases from them over a representative period of years, which moves forward year by year with the Agreement. At the same time, importing countries are released from their percentage obligations, if they wish to obtain their commercial needs from any other source during the maximum price period. This new balance of mutual obligations is designed to promote a freer and larger movement of trade under the Agreement.

The maximum price in the new Agreement is \$1.90 per bushel, as against \$2.00 per bushel in the current Agreement, and the minimum price is \$1.50 per bushel, which remains unchanged, for No. 1 Manitoba Northern wheat, basis in store Fort William/Port Arthur.

Provision has been made for a constant review by the Advisory Committee on Price Equivalents of current market conditions, including the movement of prices. It will also give appropriate advice to the Executive Committee and the Council in respect of prices moving towards the minimum or towards the maximum and the application of obligations when the maximum price is reached. This should allow for a greater measure of flexibility in the movement of prices within the price range.

In addition to commercial transactions, the Council Secretariat will also maintain records of special transactions (including surplus disposals), defined as those which depart from normal commercial practice as a result of government intervention, although these are not related to the rights and obligations of the member countries. In this way, all the trade in wheat between member countries will fall within the scope of the Agreement.

While the text of the new Agreement indicates a departure from the preceding Agreements, it is designed to accord with the actual framework of international trade in wheat between exporting and importing member countries. For this and other reasons, the new Agreement should cover a high proportion of world trade and elicit a wider participation. It is also expected that, by virtue of the broader functions and responsibilities conferred on it, the Council will be able to exercise more effectively its moderating influence on the international adverse effects of national policies, and provide an active forum for inter-governmental consultations on wheat problems.

In December, Dr. S. C. Hudson, Assistant Director, Agriculture and Fisheries Branch and Chief, Grain Division, was unanimously selected by the International Wheat Council as Executive Secretary of the Council. Dr. Hudson has been granted leave of absence from his duties in Ottawa to take up his appointment at the headquarters of the International Wheat Council in London.

### **Wheat Utilization Committee (Food for Peace)**

Closely in accord with the Prime Minister's suggestion for a World Food Bank, President Eisenhower included his Food for Peace proposals in his message to Congress in January. In May, following a preparatory meeting of senior officials, Ministers and senior officials from Argentina, Australia, Canada, France and the U.S.A. were invited by the U.S. Government to attend a Food for Peace Conference. The Director-General of the Food and Agriculture Organization of the United Nations also participated. The Canadian delegation to the Conference included the Honourable Gordon Churchill, Minister of Trade and Commerce, and the Honourable Douglas S. Harkness, Minister of Agriculture.



The Conference agreed to establish a Wheat Utilization Committee comprised of the exporting countries in attendance with the FAO in an observer/adviser capacity. One of the principal objectives of the Wheat Utilization Committee is to expand wheat consumption and markets, particularly in underdeveloped countries. This Committee will provide a practical forum for developing a common and coordinated approach to the disposal of surplus wheat. The approach is two-fold: first, to safeguard the commercial sector of the world wheat market from adverse encroachment by sales on concessional or give-away terms; and secondly, to ensure the most effective utilization of surplus wheat for economic development and the improvement of dietary standards in underdeveloped countries, and also for the building of national reserves.

At its second meeting, held in October, the Committee recommended to member governments and the FAO that a technical, fact-finding mission be sent to Japan, India and Indonesia to investigate and recommend upon possible suitable projects designed to increase the effective utilization of wheat supplies in order to raise the nutritional level of the populations in these countries and also as a means of general economic and market development.

The Canadian government has agreed to participate in this Mission and has nominated Dr. L. Bradley Pett, Chief, Nutrition Division, Department of National Health and Welfare, Ottawa, and Mr. D. H. Treleaven, Secretary, Canadian Wheat Board, Winnipeg, as its representatives.

It is planned that the Mission will set off early in the New Year, and report to the next meeting of the Wheat Utilization Committee, which is due to be held in Ottawa in late Spring 1960.

## 7. ASSISTANCE FOR FINANCING EXPORTS

One of the problems involved in export trade is that of financing. An exporter of consumer goods, selling on short credit terms, generally encounters no difficulty in arranging his financing. The financing for such exports is readily available from the chartered banks. With the backing of an Export Credits Insurance Policy an exporter can often arrange for an increase in his line of credit or for accommodation on more favourable terms, since he can assign to his bankers the proceeds of any loss payable under his insurance Policy.

In the case of capital goods, however, particularly where sales to less developed countries are concerned, financing may be more difficult. Manufacturers of heavy equipment selling to domestic buyers in Canada are accustomed to receiving payment in cash on delivery, with the buyer obtaining his funds in the capital market or from financial institutions. In less developed countries it is frequently impossible for the buyer to finance domestically his imports of capital goods, because the local financial institutions and capital market are themselves underdeveloped and because many of these countries suffer from a chronic shortage of foreign exchange. Sales



may be possible only if the supplier offers credit. For heavy equipment the credit period required often runs to a number of years. The need for credit for the foreign buyers and the willingness of competing suppliers to grant extended credit terms obliges the Canadian exporter to sell on similar terms if he hopes to win orders.

Canadian chartered banks have generally found it possible to finance the capital goods business of Canadian exporters, particularly if backed by an Export Credits Insurance Policy. However, it is reported that on some occasions chartered banks have found it difficult to provide the financing required by Canadian exporters, partly because of other commitments on the part of the banks, partly because of the size of the loans, or the terms required. In most countries of the world which are exporters of capital goods there are government facilities in addition to export credits insurance to assist in capital goods financing. Assistance provided by these government institutions includes the provision of either unconditional guarantees or rediscount facilities, or a combination of both.

The Export Credits Insurance Act was amended and received Royal Assent on July 8, 1959 to provide similar facilities to Canadian exporters of capital goods. The amendments empower the Government to authorize the Export Credits Insurance Corporation to give direct guarantees to lenders covering export transactions, and to buy and sell guaranteed instruments, and to lend money on the security of these guaranteed instruments. The Corporation administers the new facilities, acting as an agent of the Government of Canada and directed by instruction of the Governor in Council, in the same manner as it operates under Section 21 of the Act.

The new facilities will help to provide Canadian exporters of capital goods with export credits on terms broadly similar to those available to exporters in other countries. In this connection, the Government is keeping in touch with the export credit terms being offered elsewhere through its missions abroad, and more particularly through the membership of the Export Credits Insurance Corporation in the Berne Union. The Union is an organization composed of credit insurers representing most of the major capital goods exporting countries. It provides a forum in which the export credits insurance practices of member countries can be reviewed and kept in line with one another.

The direct guarantees to lenders, under the new amendments, are applicable to export paper issued in connection with contracts involving the export of goods or services for amounts of not less than \$250,000 and involving payment periods extending over a minimum term of two years. The guarantees may be unconditional and cover the financed portion of the export contract, normally not more than 80 per cent of the contract price. The guarantees will be effective only after delivery of the goods by the exporter and acceptance of the goods by the buyer.

These guarantees may be provided in the currency of the contract of sale. Contracts of sale covering capital goods, particularly for Latin American countries, often call for payment in United States dollars. The provision of guarantees in that currency may assist exporters in working out financial arrangements.

Export contracts for the sale of capital goods are generally covered during the production predelivery period by an Export Credits Insurance Policy which Policy becomes superseded by the guarantee after delivery of the goods by the exporter and acceptance by the buyer. An important feature of the guarantee provision is that it should permit exporters of capital goods to obtain non-recourse financing from lenders. This arrangement in turn should make it possible for exporters to finance a larger volume of business.

The guarantees may be extended to all lenders, not only commercial banks. In providing such guarantees the Export Credits Insurance Corporation will be taking on added risks and an appropriate fee will be charged to cover these added risks.

The objective of the 1959 amendments to the Export Credits Insurance Act is to assist in making funds more readily available to Canadian exporters of heavy capital equipment and it is hoped that a greater volume of export business may be facilitated by the new provisions.

## 8. CANADIAN FOREIGN AID PROGRAMS

Canadian participation in foreign aid was substantially expanded during 1959. The three programs, the Colombo Plan for Co-operative Economic Development of South and South-East Asia, the Canada-West Indies Program and the Commonwealth Technical Assistance Program, were administered by this Department. Services continued to be rendered to the technical assistance program of the United Nations and its Specialized Agencies, to the International Co-operation Administration of the U.S.A. and other organizations concerned with technical assistance.

### The Colombo Plan

The Colombo Plan, which was originally planned to operate for six years, from July 1951 to July 1957, was extended in 1955 for a further four years, to 1961. At the annual meeting of the Consultative Committee, held in November 1959 at Jogjakarta in Indonesia, it was again extended for another five years. The Committee agreed that a further extension should be considered at the 1964 meeting.

This report deals with activities for the calendar year 1959 and covers projects financed from funds voted in both fiscal years 1958-59 and 1959-60 together with unspent balances from previous years' allocations.

During the early part of the past year emphasis was placed on the implementation of the Canadian projects to be financed from the \$35 million voted for the fiscal year 1958-59. By June 1959 all except the Malayan program had been submitted and had received approval. The programs to be financed from the \$50 million voted for 1959-60 were planned and preliminary negotiations were begun. By the end of December 1959, the Indian program and the Mekong River Survey for Indo-China had been approved, and programs for the remaining countries in the area were under consideration.

### *Capital Assistance*

Because of lack of foreign exchange and to keep existing plants in operation, recipient countries requested considerable amounts of commodities during the past year, such as metals, fertilizers, woodpulp and foodstuffs. Counterpart funds in local currency equivalent to the value of the Canadian grants of commodities are being established by the recipient governments and are being used to finance costs of economic development projects agreed to by Canada. Allocations were made for new projects and work has commenced on them. Those commenced in earlier years are nearing completion and three major projects will be officially handed over in 1960.

*India:* A total of \$18.25 million was allocated during the year 1958-59 for the provision of commodities as follows: metals (\$10.75 million), fertilizers (\$2.5 million) and wheat (\$5 million). Orders were placed for cobalt therapy units to be shipped to three Indian hospitals, at a total cost of \$120,000. Shipments of railway ties, worth \$2.5 million, were made in 1959, and arrangements were made for the purchase of \$130,000 worth of equipment for the Calcutta Milk Scheme.

Progress was continued on both major projects which were commenced in earlier years, viz., the Canada-India Reactor in Bombay, to which a further \$1 million was allocated, and the Kundah Hydro-Electric Power Development project in Madras State. In both cases, shipment of all Canadian equipment and materials was practically completed. Testing of the Reactor will commence in the spring of 1960. Power from one generating unit in Power House No. 1 at Kundah will be available by April 1960.

Projects to be financed from 1959-60 funds include substantial shipments of metals, raw asbestos and fertilizers (totalling \$14.17 million), as well as \$7 million worth of wheat. An amount of \$750,000 was allocated to finance feasibility studies on three new power projects in India and, subject to further consideration, the engineering contracts for one or two of these projects. Diesel shunters to the value of \$2 million will be provided for harbour use at various Indian ports. A further \$700,000 was allocated to the existing Canada-India Reactor project in Bombay. Additional cobalt therapy units will be supplied and meteorological equipment valued at \$250,000 will be sent to New Delhi during the coming year.



*Pakistan:* Approximately \$7.5 million was allocated to the provision of metals, woodpulp and wheat. Metals included tinplate (\$930,000), copper (\$410,000), aluminum (\$1.06 million) and steel (\$401,000).

Three Beaver aircraft as well as pesticide spraying equipment costing \$320,000 were shipped to the Agricultural Department of the Central Government for pest control work in East and West Pakistan.

Preliminary investigations are being undertaken on new capital projects which Pakistan has requested Canada to consider.

Progress on the Warsak hydro-electric project exceeded expectations. Units No. 1 and No. 2 were practically completed during the year and will be tested early in 1960. Canadian personnel are gradually being withdrawn from the site and by May there will be only a few engineers and technicians remaining for final tests and initial start-up. Maintenance and overhaul, costing \$500,000, is being carried out on the construction equipment which was used during the course of the project. This equipment is to be turned over to the Government of Pakistan when the project is completed in 1960. The Canadians during their stay at Warsak have trained a construction force of upwards of 10,000 tribesmen.

It is expected that the Shadiwal hydro-electric project will be in operation before the end of 1960. Practically all equipment has now been shipped to the site.

In East Pakistan, work continued on the Dacca-Chittagong Transmission Line. A further \$1.1 million was allocated to extend the line from Chittagong to connect with the Karnifuli hydro-electric project now being constructed by the United States' International Co-operation Administration.

*Ceylon:* During the year, arrangements were made and work started on an extension to the Gal Oya Transmission Line project connecting the original line to a paper mill at Valaichenai. This will provide the paper plant with low cost hydro-power while water levels are high. During phases when the water supply is low, the paper plant will, if necessary, feed power back to the system, thus stabilizing power throughout the area.

\$1.29 million was allocated to a new project at Inginyigala in the Gal Oya Valley, for the addition of two generating units to an existing power house and for the erection of transmission lines linking the power house with the main island grid.

A total of \$710,000 was allocated in 1958-59 to the continuation of the aerial surveys, which are expected to be completed in 1961. These include agriculture and irrigation, forestry, geological, ground and aerial-geophysical surveys. Work has continued at a most satisfactory pace and the results have already been drawn upon in connection with Ceylon's hydro-power development schemes.

Flour valued at \$400,000 was shipped to Ceylon and plans have gone forward for the provision of various items of equipment for workshops, laboratories and exploration.



*Cambodia, Laos, Thailand and Vietnam:* Arrangements have been concluded for the sending of shipments of flour and butter totalling \$200,000 to Vietnam.

During 1959 Canada agreed to participate in the Mekong River Project, which originated as a result of the recommendations of a survey team sent by the United Nations Economic Commission for Asia and the Far East, to investigate the possibility of harnessing and utilizing the waters of the Mekong River which flows through Cambodia, Laos, Thailand and Vietnam. Before any development could be undertaken, a number of surveys were needed and Canada agreed to carry out preliminary aerial mapping surveys at a cost of \$1.3 million. Work commenced on the surveys in the autumn of 1959 and is expected to be completed by December 1961. Officers of the Department of Mines and Technical Surveys gave advice and assistance when the contract was being developed.

*Burma:* An allocation of \$200,000 was made to the construction of the Thaketa Bridge near Rangoon. A preliminary study was made on the basis of which the extent of Canada's contribution to this project is being considered.

A donation of wheat, valued at \$500,000, was made during 1959.

*Indonesia:* Three Otter Aircraft were provided, at a cost of \$400,000, to assist in the development of inter-island communications. A shipment of flour valued at \$500,000 was also donated.

*Nepal:* Wheat to the value of \$60,000 was dispatched in 1959.

*Malaya:* Full agreement has yet to be reached with the Malayan Government on specific uses for the 1958-59 and 1959-60 allocations of \$500,000 and \$1.8 million respectively.

### *Medical Book Program*

In 1958 Canada set up a medical book program as a result of recommendations made by the Canadian Medical Mission to Colombo Plan countries led by Dr. Wilder Penfield in 1956. Expenditure of \$196,000 was approved for the supply of \$2,500 in medical books to each recognized medical school in the Colombo Plan countries. To date, requests are in process of being filled from 65 of the 83 medical schools in participating countries. The Medical Book Program is scheduled to continue until 1961, and is being administered with the assistance of the Department of National Health and Welfare.

### *Technical Assistance*

The numbers of experts sent abroad and trainees coming to Canada under the Colombo Plan were greater than in previous years. Expenditure during the first nine months of 1959-60 rose to \$1.35 million from \$1.12 million for the same period in 1958-59. The total expenditure on trainees and experts for the whole of 1958-59 was \$1.37 million.

This increase in expenditure, however, does not entirely reflect the expansion in the technical assistance program. A change in intercontinental

air fare structure has enabled substantial reductions to be effected in travel costs. There has been a tendency this year towards shorter assignments for experts, with increased numbers being surveys of from six weeks' to three months' duration. In the past, the majority were for at least one year. These factors have allowed a greater contribution of technical assistance to be made without a corresponding rise in expenditure.

Twenty-seven experts' contracts were negotiated in 1959, and by the end of the year 17 Canadians had commenced assignments abroad in eight countries bringing the total sent abroad since the Plan commenced to 147. There were 31 Canadians abroad as at the end of December 1959. The number of requests for experts from Pakistan increased substantially while those from the remaining countries remained fairly constant.

The most noticeable increase was in the number of trainees coming to Canada: 228 compared to 182 in 1958, the total since inception amounting to 1,308 persons. There were 305 Colombo Plan trainees in Canada at the end of December. This rise was occasioned by increased requests from India, Malaya, Pakistan, the Philippines, Sarawak and Thailand, while the remaining countries sent about the same numbers as in 1958. This year saw the first Colombo Plan trainees to come to Canada from Brunei, Japan and Nepal.

Of the total number of trainees arriving during the year, 56 percent were for academic courses. As in the past, the majority of practical programs were undertaken by Indians and Pakistanis. Except for the Philippines where requests were evenly distributed between academic and practical training, requests from the remaining countries were largely for academic courses; of the 151 university programs arranged, 58 were for undergraduate training. Requests for undergraduate training came from areas lacking in adequate academic facilities, such as Burma, Cambodia, Indonesia, Malaya and Vietnam, which accounted for approximately 80 per cent of all undergraduate training, mostly in engineering and the sciences. The remaining programs, both academic and practical, were distributed over a wide range of fields with emphasis on agriculture, engineering, co-operatives, education, health, industrial development, forestry, geology and the physical sciences.

A number of group programs were arranged in 1959, in addition to those for individuals. These groups comprised Colombo Plan trainees as well as those from the West Indies and the countries coming under the Commonwealth Technical Assistance Program.

A special twelve month course in Community and Town Planning was arranged in co-operation with the University of British Columbia. Nine students are now registered at the university, two from Indonesia, two from Malaya, two from the Philippines, and three from the West Indies.

A seed improvement program was arranged preparatory to the International Seed Year which is being sponsored by the Food and Agriculture Organization in 1961 to increase the availability of good seed within each country. Officials from the various governments of Colombo Plan countries were given the opportunity of spending four months here observing Canadian methods under a program arranged in co-operation with the Department of

Agriculture. They were shown the methods used by Canadian farmers to improve seed, the work of the Canadian Seed Growers' Association and the Seed Trade Association. They will also study the work of the agricultural colleges and government departments in producing good seed and in exercising federal control over its sale and distribution. Ten trainees were included, one each from Burma, Indonesia, Japan, Nepal, Philippines and Thailand and four from Pakistan.

A program in public administration was arranged with Carleton University. It will last for approximately twelve months and will include academic training at the university coupled with practical internship training in federal, provincial and municipal government offices. The program includes 27 students, coming from Brunei, Burma, Indonesia, Laos, Malaya, North Borneo, Philippines, Sarawak and Thailand, as well as three from Ghana and three from the West Indies.

Training in co-operatives has from the beginning of the Colombo Plan formed an important part of technical assistance. To increase the effectiveness of Canadian aid in this field and to make more widely known the facilities available here, a second group of senior officials from the different Colombo Plan countries was invited to visit Canada for a program arranged with the Department of Agriculture and the Co-operative Union of Canada. The group of five included officials from Burma, Malaya, Pakistan, Ghana and the West Indies. It visited co-operative organizations across Canada.

*Cambodia, Laos, Vietnam and Thailand:* Programs were arranged for 53 trainees from these countries; eight from Cambodia, one from Laos, 26 from Vietnam and 18 from Thailand. They represented many fields of study, but the emphasis was on agriculture, health, engineering and public administration. Two lecturers were loaned to the University of Dalat in Vietnam, one in mathematics and the other in chemistry. They will be using laboratory equipment supplied in previous years by Canada through the Colombo Plan.

*Brunei, Japan and Nepal:* Four trainees came from these countries to take part in the Seed Improvement and Public Administration group programs.

*Burma:* Programs were arranged for twenty trainees, fifteen of whom undertook university courses. Public administration, and agriculture and co-operatives were the principal fields of study, while science, education, public information services, forestry, geology and mining, health and welfare were included. A radiotherapist was sent to replace the Canadian expert who had helped to set up the cobalt therapy unit supplied in 1958 by Canada to the General Hospital in Rangoon.

*Ceylon:* Twelve training programs were arranged during the year, mainly in the fields of agriculture, and co-operatives and public administration, but also including engineering, geology and mining, health and welfare, and fisheries. An expert was recruited to serve as Chief Engineer on the trawler donated to the Fisheries Project in Colombo, developed with Canadian aid.



*India:* Programs were arranged for 58 trainees, 32 of them in the engineering field. The majority undertook practical training, although a few took postgraduate courses at universities. Other fields included agriculture and co-operatives, health, sciences, forestry, geology and mining. Indian visitors included six senior engineers from the Kundah Project in Madras who undertook a six-month program which included attachment to Canadian engineering firms, electrical products companies and utility concerns and hydro projects across Canada. On their return to India they will be responsible for the operation and maintenance of the Kundah Hydro Power Development project.

A Canadian expert went to India in December 1959 to work with the Oil and Natural Gas Commission in Dehra Dun.

*Indonesia:* Thirty Indonesian trainees visited Canada, twenty-one of whom took university training. Twelve were registered for undergraduate courses. The interest was mainly in public administration and medicine, but training was also given in engineering, forestry, geology, mining and health as well as other fields.

Three experts were sent to Indonesia, two to act as advisors and consultants at the Teaching Aids Centre in Bandung, which was set up by UNESCO on the advice of a UNESCO audio-visual aid adviser recruited from Canada. The remaining expert was an aircraft maintenance engineer who will train ground crews at the Indonesian Civil Aviation Academy near Djakarta.

*Malaya and Singapore:* Nineteen persons came from these two countries, the majority from Malaya. Most requests received were for training in geology and mining, although there was interest in public administration, and agriculture and co-operatives, as well as other fields.

Three experts went to Malaya on different assignments. One, appointed a year ago as Director of the Fisheries Project in Ceylon, was sent for a short visit to the East Coast of Malaya to advise on fish holding units; his report is being used in determining future possible aid to fisheries development in Malaya. A hydro-electric engineer was provided to advise the Central Electricity Board on possible sites for hydro development. A statistician was employed for work in Kuala Lumpur (with another Canadian statistician recruited by UNTAA) as a specialist in industrial and manufacturing statistics. A marketing economist went to Singapore to work with the Malayan Commission of Enquiry into the pineapple industry, which is being developed in Singapore and Malaya as an economic unit.

*North Borneo and Sarawak:* Sixteen trainees came from this area, mainly to take academic courses. Six from each country are receiving training in public administration, and while the remaining covered many fields, requests from Sarawak were more numerous in the health field.

*Pakistan:* Fifty trainees arrived during the year, more than half of them for practical training courses. Engineering, the sciences, agriculture and co-operatives attracted most trainees.



Five experts undertook assignments in West Pakistan, including an advisor from the National Research Council in Ottawa, who will take part in the Pakistan Scientific Commission deliberations, a data processing expert from the Agricultural Census Commission, a pre-stressed concrete consulting engineer and a physiotherapist for the Lahore Military hospital. Arrangements were being made for the recruitment of a team of hydro-electric operating engineers for the Warsak project, which will begin operating in 1960. This team will advise on the operating of the powerhouse and will help to train Pakistani personnel in the various phases of work. A plant superintendent has already arrived at Warsak, and will be followed early in 1960 by a chief operator, an electrical and maintenance man and an instrument and relay specialist.

*Philippines:* Twenty-six trainees undertook programs in various fields, the majority in public administration, the remainder in agriculture and co-operatives, the sciences, forestry, geology and mining, and health.

## Canada-West Indies Aid Program

### *Capital Assistance*

Canada has undertaken to provide \$10 million worth of assistance to the West Indies over a five-year period.

Contracts were let in 1959 for the construction of two inter-island passenger-cargo ships. Materials are now being ordered and construction is commencing at two Canadian shipyards. The ships are scheduled for completion in 1961.

Orders have been placed for a supply of equipment worth \$22,000 for a technical school at St. Kitts. The equipment will include tools and machinery for different workshops and shipment will commence early in 1960.

### *Technical Assistance*

\$88,640 was spent on training programs and experts' assignments during the first nine months of fiscal year 1959-60, as compared with \$74,936 for the whole fiscal year 1958-59.

Of the 23 trainees coming from the West Indies in 1959, 17 took university training, mostly at the postgraduate level. The greater number studied in the fields of education and public administration, while agriculture, co-operatives and health were represented as well as other fields.

Eight experts were recruited for advisory or consultant assignments. Most of them were for short periods from eight weeks to three or four months. They included a film adviser and two experts in radio broadcasting. Two postal consultants were sent to advise on the establishment of a federal postal service. A team of harbour specialists made a survey of harbour development in the Leeward and Windward Islands; they included a harbour engineer and a transportation economist, and their report will help to determine possible future capital aid to be supplied by Canada in this field.

A harbour management adviser was also sent to act as Port Manager at Kingston, Jamaica, and to recommend on the development of Kingston harbour.

### **The Commonwealth Technical Assistance Program**

Known last year as the Ghana Plan, this program has now been expanded to include other Commonwealth countries in Africa and elsewhere outside the Colombo Plan area. Assistance to Ghana has exceeded that given last year, and Nigeria and Hong Kong also received aid. Expenditure was \$61,043 for the first nine months of the fiscal year 1959-60, compared with \$34,782 to Ghana for the whole of 1958.

Of the 20 trainees coming to Canada in 1959, 18 came from Ghana while one each came from Nigeria and Hong Kong. The most popular field was public administration, while agriculture and cooperatives, public information services, engineering, geology, mining and health were also represented.

Of the seven Canadians sent to Ghana in 1959, three were in the field of public information, specifically television and film production. A tourism adviser, a corporation law adviser and an expert in public administration were also included. A plant physiologist, who had in 1959 completed an assignment in Malaya, arrived in Ghana in the autumn to undertake research in the swollen shoot disease of the cacao plant, the produce of which is about seventy percent of Ghana's gross national product.

### **Co-operation with the United Nations and its Specialized Agencies, and other International Aid Organizations**

The volume of requests from the UN and its Specialized Agencies and other international aid organizations continued to rise in 1959. Two hundred and fifty training programs were arranged during the year compared with 204 the year before, bringing the total number of trainees under these auspices to date to 976. The largest increase was in the numbers of trainees in Canada under the auspices of the International Co-operation Administration, 181 in all. These included a group of 23 public administration students from 15 different countries who had been attending Harvard University, and who came to Canada for a program consisting of periods of observation with the Taxation Division of the Department of National Revenue and with the Department of Finance.

One of the most interesting programs arranged at the request of ICA was for twelve officers of the Pakistan Village AID program. Discussions for the group were arranged in Canada last May with leaders in social welfare, agricultural extension, education, co-operatives and other fields, and some time was spent by the group in Nova Scotia studying the Antigonish movement.

A total of 92 Canadians served abroad in 1959 with the United Nations and its Specialized Agencies in approximately 40 different countries. Recruitment on behalf of these agencies continued during the year at the same level as in the past.

## Part II

### Work of the Department





## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, but did not function until December 5, 1892, when an Order-in-Council to this effect was passed.

It came into being at that time because, as Sir John A. Macdonald put it, "the Government has come to the conclusion that with the rapidly and largely increasing trade of Canada . . . it is necessary . . . that there should be a Minister whose time and energy should be applied to trade matters." Businessmen needed assistance in developing trade; the special kind of assistance which could only be supplied effectively by a government department.

Trade and Commerce supplies a wide range of services to Canadian businessmen. Its functions can be classified under five headings:

- (1) *Trade promotion.* The Department is exclusively charged with developing and maintaining Canada's foreign trade.
- (2) *Trade control.* The Department is responsible for the control of imports and exports under statutory authority.
- (3) *Administrative duties* which arise out of, or are allied to, its activities in trade promotion and trade control.
- (4) *Domestic duties*, in the field of weights and measures, census and statistics, and others that encourage or facilitate domestic trade and industry.
- (5) *Delegated duties.* These are responsibilities of the Minister which have been delegated to crown companies, commissions, boards and agencies, because the duties are so specialized they are best discharged by autonomous entities. (The names of these organizations are set out in Appendix "B").

The Minister of Trade and Commerce is accountable to Parliament for a wide variety of legislation, a list of which appears in Appendix "A".

During 1959, the Department sponsored legislation in the House of Commons to amend the Export Credits Insurance Act and the Weights and Measures Act, and to repeal certain fisheries laws in force in the Province of Newfoundland respecting the exportation of salt fish.

## ADMINISTRATION BRANCH

The provision of administrative services to all operating units of the Department is the responsibility of the Comptroller-Secretary. His Branch comprises four Divisions—Personnel, Office Services, Library, and Financial Services. Additionally, the Comptroller-Secretary is the co-ordinator of returns to Parliament required of this Department and associated Crown Agencies, and maintains liaison with the Privy Council, Treasury Board, Civil Service Commission, Department of Public Works, Clerk of the House of Commons, and the Clerk of the Senate.

During the year, the Department suffered the loss of its Deputy Minister, Mr. John H. English. Stricken in September by a serious illness from which he never recovered, Mr. English died on January 1, 1960.

### Personnel Division

This division provides advice on personnel policy and human relations problems; acts as a control arm in ensuring compliance with established policy; provides personnel services to the Branches and to individual employees through interpretation of policy, legislation and regulations; assists employees with personal problems and maintains liaison with the central personnel agencies.

Under the Division Chief, responsibility is divided functionally in respect of organization and establishment, pay, leave and attendance, hospital medical service plans, superannuation, training and welfare, and by organizational grouping in respect of personal services and development. The Supervisor of the Central Transcription Service and the Chief Librarian report to the Chief of the Personnel Division.

Appendix "C" tabulates the distribution of departmental staff.

### Library

The library provides members of the Department with current printed or source material on subjects related to their various fields of interest. The broad field of economics, national and international, involves a wide range of subjects and many reference questions are answered, indexes are prepared and publications are selected and acquired by the library. The librarian is responsible for the distribution of magazines, periodicals, and a clipping service.

### Office Services Division

The division consists of three major segments. *Duplicating and Printing Section* provides an essential service in the printing of press releases, special memoranda, leaflets, etc., and in the production of additional copies of original documents by the photo copy process. *Supply and Accommodation Section* is responsible for procuring, storing and issuing the printing, stationery,

equipment and furniture required. Office accommodation and maintenance, communication services such as telephone and intercom systems and buzzer installations, are other services arranged by this section. *Records Section* provides records, mail and messenger service to Branches at Ottawa, through the main units in the Trade and Commerce Building or the branch registries attached to the Standards and Exhibition Branches. It is responsible for the custody and maintenance of the departmental files. A considerable volume of out-dated records was discarded or transferred to the Public Archives Record Centre.

## Financial Section

The Financial Section has administrative responsibility for preparing requests for funds and for controlling expenditures.

Estimates were drawn up for each Branch, analysed for soundness, and presented to the Deputy Minister and the Minister for consideration prior to submission to Treasury Board and Parliament. Expenditures were controlled throughout the year by analysis of the necessity and reasonableness of each undertaking prior to commitment, and again afterwards when accounts were submitted.

Continuous liaison was maintained with the Department of Finance in order to ensure that departmental practices were in accordance with government policy.

Appendix "D" contains a summary of the Department's expenditure and revenue for the year ending March 31, 1959; and comparative statements of expenditure, and statements of revenue, for the fiscal years 1956-57, to 1958-59.

## AGRICULTURE AND FISHERIES BRANCH

The Agriculture and Fisheries Branch is made up of three Divisions known as the Fisheries, Food and Agriculture, and Grain Divisions. Each Division deals with the commodities falling into the categories suggested by its title.

The prime function of the Branch is to promote and assist trade in agricultural and fisheries products. A close and effective liaison is maintained with other federal departments and agencies having a direct interest in export trade such as the Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board and the Board of Grain Commissioners. The Branch is also concerned with the programing, reviewing and disseminating of information on agriculture and fisheries in foreign countries to interested government departments and boards, and to the trade.

Agricultural and fisheries products account for a large proportion of Canada's total trade and, therefore, the Department is vitally interested in government policy and decisions affecting trade in these products. The



Branch is frequently called upon to advise on these matters and, to this end, must keep well informed of developments in the Canadian industries concerned—as well as the current position in competitor producing countries and world markets.

It is characteristic of international trade in agricultural and fisheries products that it is subjected to a considerable degree of government supervision including health and sanitary regulations, grading and labelling requirements, and other related matters. Additionally, most countries restrict imports of agricultural products in one form or another and in many cases purchasing is done directly by government agencies. As a result, a large proportion of the duties of Branch officers consists in processing trade enquiries, aiding firms in finding markets, and assisting the Department's Trade Commissioners abroad in overcoming problems connected with trade.

In many instances, the Branch is engaged in duties outside the sphere of normal trade promotion activities. By virtue of direct government interest in the marketing of Western grain through the Canadian Wheat Board, it becomes directly concerned with domestic marketing problems and policies, including the preparation of necessary legislative measures, as well as being closely involved with respect to export sales of these grains, including flour.

The Branch continued to provide a Chairman and a Secretary for the Canadian Fur Council which provides a forum for discussion and collective action when necessary among the provincial and federal government departments concerned with the problems of fur marketing and promotion.

The growing importance of international co-operation in trade in agricultural products gave rise to increased activity in this field. Of particular interest were such organizations as the International Sugar Council, International Wheat Council, Wheat Utilization Committee, Food and Agriculture Organization of the United Nations Commodity Study Groups, Commonwealth Economic Committee, and others. The Branch provided delegates for meetings of these organizations.

Over the past year, a special committee was formed under the auspices of the GATT to institute a series of consultations by member countries on agricultural and fisheries policy, particularly as related to exports. These meetings, held in Geneva, were attended by the Director of this Branch, who was chosen as Vice-Chairman of the Committee. The Food and Agriculture Organization of the United Nations held its 10th Session in Rome during 1959; the Assistant Director was included in the Canadian delegation. The Branch, from time to time, is involved with activities of the OEEC Committee on Agriculture and Fisheries. In these matters, close co-operation is maintained with other Departments and the International Trade Relations Branch.

Interdepartmental committees formed the basis for co-operation with other federal departments and met at frequent intervals to discuss problems



of mutual concern and to exchange information. Special problems requiring immediate action are dealt with by direct contact with other federal departments and agencies as well as with those sectors of the trade which may be concerned.

Branch officers worked closely with various trade organizations and were frequently called upon for assistance. Officers were, on occasion, asked to address annual meetings of these associations or to participate in committee meetings. Efforts were made to maintain personal working relationships with the exporting firms in the agricultural and fisheries fields and to interest other likely firms in the export market, through industry tours and visits to association meetings. This also enables the officers to obtain a first-hand knowledge of the individual problems facing the trade.

Trade fair activity was an important method of stimulating exports and an effective means of introducing new firms to the export markets. This Branch assisted in organizing agricultural and fisheries displays in a number of trade fairs abroad and provided personnel for the Canadian Trade Fairs in Jamaica and Trinidad. It also undertook a specialized program of fur promotion in Europe. Of note, has been the large increase in number of food processing firms participating in trade fairs sponsored by the Department.

Trade Commissioners abroad were kept up to date on developments in the Canadian agricultural and fisheries industries by means of newsletters. Although emphasis was placed on the supply situation of products as it related to trade, newsletters were also used to keep Trade Commissioners informed on other matters of interest.

The Branch maintained an extensive foreign reporting service based largely on reports received from Trade Commissioners abroad. This information was collated and distributed as required to the Canadian Wheat Board, the Board of Grain Commissioners, the Department of Agriculture, the Department of Fisheries, the Dominion Bureau of Statistics, and other interested departments and boards both federal and provincial. Special reports were provided at the request of trade organizations and for commercial intelligence purposes. Every endeavour was made to keep the Canadian agricultural and fisheries industries informed on developments in foreign countries that were likely to affect trade.

Another phase of activity were those duties concerned with market development and market analysis. Studies were made of various markets to determine trade possibilities and present export outlets were checked from time to time so as to keep abreast of any significant trends in these markets. An important development in the fisheries field in 1959 was the removal of the retail price ceiling on salt cod in Jamaica—our second largest outlet for salt cod in terms of quantity.

## CANADIAN GOVERNMENT EXHIBITION COMMISSION

The Canadian Government Exhibition Commission is responsible for the planning, organization and administration of all Canadian exhibits in fairs and exhibitions abroad in which the Canadian Government decides to participate. In addition, the Commission endeavours to advise private exhibitors and their agents on the best means of displaying their Canadian products in overseas fairs. The Commission is also responsible for any international fairs and exhibitions held in Canada which are financed and sponsored by the Government.

Facilities include head office and workshop in Ottawa, as well as a small branch establishment in the United Kingdom.

A study of the organization and operations of the Exhibition Commission which was undertaken in 1958 by the Organizations and Methods Service of the Civil Service Commission, was completed in January 1959. The report recommended certain changes in organization, and the addition of senior staff. By the end of 1959, the implementation of the recommendations and the acquisition of senior staff was in sight.

146 projects were handled by the Commission in 1959, 18 of which were in various stages of production at the end of the year. 74 of these projects could be classified as display units. The balance represents a variety of miscellaneous services such as production of small display panels, pamphlet racks, etc.; mounting and framing maps, silk screens, photographs; production of murals and models.

The following departments and organizations made use of the Commission's services during the year: Agriculture, Atomic Energy of Canada Limited, Canadian Broadcasting Corporation, Canadian Government Travel Bureau, Central Mortgage and Housing Corporation, Citizenship and Immigration, External Affairs, Labour, Mines and Technical Surveys, National Defence, National Harbours Board, National Health and Welfare, National Gallery of Canada, Northern Affairs and National Resources, Post Office, Public Archives, Trade and Commerce, Transport.

In 1959, a new pattern of Canadian participation in trade fairs and exhibitions abroad, which became apparent in 1958, was more definitely established. In the past, the program was mainly through a number of spring trade fairs in Western Europe, with little participation in events in the United States. Now, however, the heaviest activity in Europe is in respect to autumn fairs, and the territory covered has spread eastward. A heavy concentration of vertical trade shows in the United States now attracts more active trade promotion through this medium, particularly in the technical field.

During 1959, Canada participated in fairs and exhibitions in the following countries: Australia, Czechoslovakia, Germany, Italy, Japan, Peru, Poland, Southern Rhodesia, Sweden, Switzerland, the United Kingdom, the United States, the Union of South Africa; and organized its own fairs in the West Indies and at Boston, and a fur salon display at Vienna.

The Canadian Trade Fairs in the West Indies and at Boston deserve special mention since in addition to their large scale, they were wholly Canadian, and the first of their kind in this respect.

The two fairs in the West Indies were organized on a space rental basis, and 20 per cent of their gross cost was offset through this rental, and certain services which were for exhibitors' account. In addition, \$13,783.02, the net proceeds from a small admission fee for public attendance, were credited to the Consolidated Revenue Fund.

The first fair was held in Kingston, January 16 to 25. A Geodesic Dome, 36 feet high and 100 feet diameter without inner support, formed a central feature to house the Information Centre, Service and Association exhibits. Blocks of booths for individual companies surrounded the Dome. A total of 92 exhibitors was accommodated. In order to attract as large an audience as possible for the exhibitors, provision was made for restaurant facilities, a children's playground, and an outdoor entertainment area in which live Canadian entertainment, films and fashion shows were presented. The installations and exhibits were moved to Port-of-Spain for the period February 20 to March 1 where 115 exhibitors were accommodated.

Sir Grantley Adams, Prime Minister of the West Indies, opened both fairs, with The Honourable J. Angus McLean, Minister of Fisheries, presiding at Kingston, and The Honourable Alfred J. Brooks, Minister of Veterans Affairs, at Port-of-Spain.

Four Royal Canadian Navy ships visited Kingston in conjunction with the Fair, and a detachment from the crews formed a Guard of Honour at the Opening Ceremonies.

A Canadian Trade Mission organized by the Canadian Chamber of Commerce visited the West Indies in time to attend the opening of the Fair in Kingston.

The Canadian Trade Fair in Boston, April 20 to 24, was staged in the ballroom of the Sheraton-Plaza Hotel which provided an area of approximately 10,000 square feet.

The display was on an industry basis with 135 Canadian firms contributing products. The Honourable Gordon Churchill, Minister of Trade and Commerce, opened the Fair which was attended by approximately 20,000 people. A fashion show and a showing of Canadian films were held at the hotel in conjunction with the Fair while various other Canadian activities were organized by the Canadian Consulate General throughout the city to mark the occasion as CANADA WEEK.

Final accounts for Canada's participation in the Universal and International Exhibition of Brussels 1958, show that out of a budget of \$2,750,000.00, expenditures amounted to \$2,702,881.60, leaving \$47,118.40 unappropriated. It is of further interest to note that the Canadian Pavilion which was demolished with credit being received for the materials demolished, has since been erected with additions, and is now a school in the town of Genk, in the North Eastern sector of Belgium close to the Netherlands border.



The facilities of the London Branch were used to good advantage in 1959. The demand for numerous small displays in the United Kingdom, and, to a lesser degree in Europe, was filled from existing material. The staff assisted in the on-site operations of our European displays and were fully responsible for the installation and operation of exhibits in the United Kingdom.

With the relaxation of import restrictions in the United Kingdom, more trade promotion, through the medium of fairs and exhibitions, is already authorized. Plans are well developed for a major participation in the Daily Mail Ideal Home Exhibition, March 1960. The London Branch facilities will be used extensively in connection with this increased activity.

A review in chronological order of the major projects sponsored first, by the Department of Trade and Commerce, and second, by other government departments, is appended as Appendix "E".

## COMMODITIES BRANCH

The Commodities Branch is primarily concerned with the active trade promotion programs of the Department. In general, its role is to maintain liaison with industry and to develop information required for the various trade promotion purposes of the Department. As a result, it is industry's first point of contact with the government. It also has important administrative responsibilities.

The branch is staffed by commodity officers, expert in their respective fields of specialization, who keep trade conditions and market opportunities under review and maintain liaison with industries established in export trade. The commodity officers are constantly on the lookout for new export opportunities. These may take the form of new products for which the export prospects can be determined through foreign market surveys, or new firms, unfamiliar with export, which may be encouraged to examine the export market for their products.

Providing a necessary specialization in various commodity fields, the branch is organized in five commodity divisions which in the aggregate represent a well-rounded coverage of the activities of the major industry groups other than fisheries and food products. These are the Chemicals, Consumer Goods, Engineering and Equipment, Forest Products, and Metals and Minerals Divisions. In addition to these commodity divisions, the branch also contains a Transportation and Trade Services Division which maintains liaison with a number of national and international organizations related to the field of transportation and communications. Information on current shipping trends is compiled in a comprehensive annual study by this division, which also stands ready to advise and assist firms with problems they may encounter in the shipment of goods. Other functions include administration of the Export and Import Permits Act and affiliated strategic control measures, and



administration of the U.K. Token Import Scheme and the British West Indies Trade Liberalization Plan, pending liberalization of import restrictions in the markets affected.

The work of the various commodity divisions, highlighted in the following paragraphs, varies greatly according to the field of specialization and reflects closely the conditions encountered in Canada and in foreign markets.

## **Metals and Minerals Division**

During the year, there was a move again towards normalcy. However, while there was a restoration of some stability in markets after the softer conditions of the previous year, concern over pressure for increased protection in certain importing countries and with attempts at price stabilization in certain commodities continued. There was a good deal of activity in international conferences in the metals and minerals field. The International Tin Council made substantial progress during the course of the year towards restoring reasonable levels of activity in member producing countries. An important contribution towards this stability was the U.S.S.R. agreement to limit its tin exports. Briefing of representation in attendance at the International Tin Council meetings is the responsibility of this division. This division also supplied representation to the GATT working party on aluminum and lead and zinc at Geneva in the study of new levels of tariffs on these metals in the common market. Staff of the division also participated in the United Nations Lead and Zinc Conference in New York in April, where important steps were made to adjust excess production to current levels of demand confronting the world industry. Following developments at this Conference, lead and zinc production and marketings were maintained under close review during the course of the year. The effects of the action taken in New York, coupled with sharply increased consumption, saw a rapid firming of the zinc market towards the end of the year.

Concern was expressed during the year regarding the adequacy of supplies of scrap from domestic sources to satisfy the needs of a small electric furnace making steel in Western Canada. Due to the bearing which this would have on the need for the continuation or the dropping of the controls on the export of iron ore and steel scrap, the division participated in a study which was undertaken in connection with this matter. The division also participated in a number of background studies of the possibilities for the further processing of resources within Canada and the development of external markets to support new or existing resource capacity.

## **Engineering and Equipment Division**

The Engineering and Equipment Division serves the foreign trading interests of firms engaged in consulting engineering, construction, supply of plant equipment, machinery, agricultural and transportation equipment of

all kinds. Particular attention has been concentrated on the consulting engineer as the forerunner of other capital goods industries in major projects in a variety of foreign countries.

More recent events in the field of peaceful uses of atomic energy have brought into sharp focus the need for export markets for the primary and secondary manufacturing industries which have grown up in recent years as a result of Canada's nuclear reactor program. Accordingly, during the year, the Department has given special attention to promotional work in the field of atomic energy and engineering services. In this regard, industry has been encouraged and assisted to exhibit at Atomic Fairs. A representative was sent to accompany a group of European atomic scientists and manufacturers of nuclear components, who visited Canadian nuclear installations following the conclusion of the Canada-Euratom Agreement.

Assistance has been given to manufacturers who have indicated their interest in Defence Production Sharing possibilities and increased interest has been developed in NATO common infrastructure projects, particularly in the field of telecommunications. A number of articles featuring opportunities abroad for the engineering profession have been published in technical journals, as well as special feature articles in the Department's publication *Foreign Trade*. Several papers have been presented to North American professional engineering associations dealing with export problems in this field. Contributions were also made to various industry studies including the automotive industry, the aircraft industry and the disposal of surplus construction equipment in Canada.

## Consumer Goods Division

Since the announcement made by the United Kingdom government to ease import restrictions on a wide range of Canadian products, there has been a steady and increasing flow of Canadian businessmen who have made or are about to make visits for the purpose of testing the market for their products, appointing agents and arranging product displays. In November, a small group of dress manufacturers proceeded to London and working in conjunction with the Department, arranged a display for their Canadian-made dresses. Buyers from the main London stores and the Press were invited to this display. In addition, the manufacturers made calls on the trade. This promotional effort has re-opened business for this industry in a market which has been almost closed to Canadian exporters since 1939. The design and quality of the dresses displayed was favourably received by the trade, and a substantial volume of business was obtained.

The favourable results from the Canadian Trade Fairs held in Jamaica and Trinidad in January and February respectively, provided a strong impetus for many lines of consumer goods products previously established in the West Indies, as well as stimulating the introduction of additional products into this market—clear evidence of the value of this method of promotion.

Similar successes were obtained in selected trade fairs and trade shows in 1959, such as the National Sporting Goods Association trade show held in Chicago, and the Canadian Trade Fair held in Boston, which were well supported by personal visits on the part of Canadian businessmen.

## Chemicals Division

The Canadian chemical industry experienced considerably increased activity due to buoyant conditions of the domestic economy and the general trend to liberalization of dollar imports in the United Kingdom and other foreign markets. The increase in exports was a contributing factor in the decision of more than one firm to proceed with plans for increased capacity. The division, in addition to assisting many firms to expand their export sales, was also active in co-ordinating the supplies of fertilizer for shipment under the Colombo Plan, and in making arrangements for Canadian chemical firms to meet trade delegations from foreign countries. Contributions were also made to technical publications in the chemical trade, and at year end, a revised edition of "Canadian Chemicals for Export", a directory of domestically manufactured chemicals that are offered for export markets, prepared for circulation to posts abroad, was nearing completion.

## Forest Products Division

All fields in the forest products industry experienced a good year with newsprint leading the way in increased exports, followed by upturns in wood-pulp and lumber shipments. This division is particularly active in market surveys and in liaison work with a large number of smaller firms, as well as the major export organizations and trade associations. New export opportunities resulting from the easing of currency restrictions in certain countries were brought to the attention of firms. This practice has shown immediate positive results, as evidenced by sales of fine papers to Commonwealth markets. An active promotional campaign has been carried on in the United Kingdom, spearheaded by a recent Canadian Government lecture tour of Regional Associations of Building Societies publicizing the benefits of timber frame construction in an effort to make mortgage funds more readily available for this type of construction. As an additional positive step to encourage increased use of lumber in home building in the United Kingdom, a display featuring timber frame construction was entered in the Olympia Trades Exhibit in London.

In the United States, lumber sales were strong in all grades, showing an increase of 15 per cent in volume. Canadian exporters were aided by trade fair displays such as the National Home Builders Show in Chicago and the continuing market surveys carried out by the division. When the U.S. Federal Housing Administration announced its intention by new regulation to require that all lumber used in FHA mortgage-financed homes must be grade marked after April 1, 1960, the Department sent a representative



to meet with Federal Housing Administration officials and a division representative met with Canadian producers. Arrangements were made to enable grade markings of the various Canadian associations to be accepted until September 1, 1960, thus allowing Canadian producers a period of readjustment to the new conditions. After this date, the Canadian associations must be certified by the Canadian Lumber Standards Committee.

## ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

This Branch is responsible for the administration of Canada's foreign aid programs which include the Canada-West Indies Aid Program, the Commonwealth Technical Assistance Program, and participation in the Colombo Plan.

In addition, the Branch co-operates with the United Nations and its specialized agencies, the United States International Co-operation Administration, and other international aid organizations, by arranging programs for trainees coming to Canada under these agencies and by recruiting experts for specialized assignments abroad.

The Branch has also taken an active part this year in the formulation of Canada's participation in the Commonwealth Scholarship Scheme, which is just now coming into operation. Parliament will be asked next fiscal year to vote \$1 million for the operation of this scheme which will be administered jointly by the Canadian Universities Foundation and this Branch.

Canadian aid under the various programs consists of capital assistance and/or technical assistance. Under capital assistance, grants of goods (raw materials, foodstuffs, machinery and equipment) and services (professional and engineering services and surveys) are made to countries on a government to government basis. Through the technical assistance program, nationals of underdeveloped countries are brought to Canada for training in different fields, and Canadians are recruited for assignments abroad as instructors and advisors.

Each year, through the Department of External Affairs vote, Parliament provides funds for the continuation of the aid programs. While that Department exercises a broad control, the actual administration of the funds and of the various projects is carried out by this Branch, in consultation with the Department of Finance, particularly with respect to capital assistance projects. The actual division of each year's funds between countries and between capital and technical assistance is determined by Cabinet.

To support the first three of these various aid programs in 1959, Parliament voted \$2.1 million for the Canada-West Indies Aid Program (as against \$1,475,000 in 1958), \$50 million for the Colombo Plan (an increase of \$15 million over 1958) and \$500,000 for the Commonwealth Technical Assistance Program. This latter program has superseded the Canada-Ghana



Assistance Program for which \$135,000 was voted in 1958, and includes other independent Commonwealth states in Africa and other Commonwealth countries outside the Colombo Plan area.

In addition to the continuing major capital assistance projects, substantial quantities of commodities (wheat, flour, metals and fertilizers) were donated to various countries as in 1958. The proceeds from the sale of these commodities within their own countries are used by the recipient governments to establish counterpart funds which are applied against the local costs of the various projects.

An average of 40 Canadian experts was maintained abroad throughout the year under the three aid programs. The trend has been toward short assignments lasting from six weeks to three months as against those in previous years lasting at least twelve months. This has resulted in an increase in the number of contracts over the past three years from 14 in 1957 to 26 in 1958, rising to 42 in 1959. Informal enquiries now on hand indicate that there will be an increasing demand for technical experts next year.

Recruitment of Canadians for service with the United Nations and its specialized agencies has continued as in other years, and 1959 saw the first experts recruited by the Branch for the new International Atomic Energy Agency.

The number of trainees coming to Canada increased substantially under all agencies, with a total of 581 programs being arranged this year as against 394 in 1958. Fields of study have been much the same as in previous years, with emphasis being placed on agriculture, engineering, the sciences and public administration. About 50 per cent of all training was of a practical non-academic nature, while 68 per cent of the academic training was in the post-graduate field. With the establishment of the Commonwealth Scholarship Scheme next year, an increase in the number of trainees interested in academic training is anticipated.

During 1959 a Program Planning Division was set up within the Branch to facilitate the screening of requests for assistance, and to achieve more effective co-ordination of capital and technical aid. A new procedure was set up for the investigation and filling of "small" Colombo Plan projects involving books and minor items of equipment and in addition, a new program for supplying books to some 80 medical school libraries in South and South East Asia was established, which is being well received by the different Colombo Plan countries.

The Branch, working in close co-operation with the Information Division, Department of External Affairs, has endeavoured to make the general public more aware of Canada's foreign aid programs. A noticeable increase in public interest during the past year indicates that these efforts have achieved a measure of success.

As in previous years, close liaison has been maintained with other official agencies, with provincial and municipal as well as federal levels of

governments, and with industry, universities and voluntary associations across Canada, without whose generous assistance and co-operation the success achieved in Canada's foreign aid programs administered by the Branch would have been impossible.

## ECONOMICS BRANCH

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on various aspects of Canada's economic development as required by government departments.

During 1959 reports on the Canadian economic situation and its various aspects and on other economic subjects were prepared, for official use.

In periodic statements on the general outlook, an attempt was made to appraise the principal forces operating in the economy and to interpret their probable effects on economic activity in the period ahead. In some cases these reports were designed for general background use within the Government, while in others they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. In collaboration with the Grain Division of the Agriculture and Fisheries Branch, analytical work relating to the world market for wheat and other grains was carried forward.

Other features of the general economy to be examined periodically during the year included developments relating to the consumer market and prices, and employment conditions.

The trend of activity in the principal regions of Canada was examined periodically, and reports dealing with conditions in regions and specific localities were prepared as required within the Department or elsewhere in the federal services.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. In resource industries attention was focussed upon the changing pattern of world demand for industrial materials. In secondary manufacturing the impact of imports upon the position of Canadian industries was followed

closely and various aspects of this subject were given special study. Further research was undertaken relating to the development of Canada's primary iron and steel industry and material on the consumption of rolling mill products by regions was up-dated and published. Work proceeded on background studies dealing with individual Canadian industries and world commodity markets.

The Branch participated from time to time in the preparation of economic material required in connection with international meetings and representations from industry or for other departmental purposes.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programs.

## ENERGY STUDIES BRANCH

The main functions of this Branch were to develop systematic records and analyses relating to energy matters; to prepare studies on current energy problems requiring policy decisions in this and other departments and agencies; and to provide information and assistance to the numerous other departments and agencies concerned with one or more aspects of energy.

As in previous years, current and urgent problems occupied most of the time of the small staff. Assistance was given in the drafting of the legislation to establish a National Energy Board, and in subsequent work on that organization's rules and regulations. The effects of United States oil import restrictions on the Canadian petroleum industry continued to be closely studied. General developments in oil exploration, production, refining, transportation and marketing were also followed. Similar attention was given to the natural gas industry, with particular emphasis on pipe lines, export policy and United States proceedings related to the importation of natural gas from Canada.

In the power field, study was given to the problem of negotiation with the United States on the apportionment of the down-stream benefits arising from the co-operative power development of the Columbia River Basin.

As in the past, work of the Branch necessitated close liaison with other government departments and agencies and with provincial agencies. Liaison was also maintained with the oil and gas production, processing and transmission industries, and public and private power utilities. Officers of the Branch travelled fairly extensively during the year. One officer spent a week in Washington observing the Federal Power Commission hearings and also attended the Canadian Gas Association conference in Victoria, B.C. as well as making numerous calls on firms and government agencies throughout the West. A senior officer of the Branch represented the Department at the



Canadian Mines Ministers' conference in October at Regina, Saskatchewan. Finally, the member of the staff specializing in power problems accompanied the Canadian Section of the International Joint Commission to a number of meetings in the United States and Canada.

With the establishment of the National Energy Board in the latter part of the year, the Director of the Branch was appointed as a member. Most remaining officers were subsequently seconded to the Board, to assist in the initial organization of an Economics Branch and to prepare work connected with the imminent gas export hearings, pending the recruitment of a permanent staff. One officer remained in the Department to deal with problems concerning the Columbia River and Passamaquoddy tidal power.

With the proclamation of the *National Energy Board Act* on November 2, 1959, the greater part of the functions of the Branch were transferred to that body and the Energy Studies Branch ceased to exist.

## INDUSTRIAL DEVELOPMENT BRANCH

The Industrial Development Branch co-ordinates the federal government activities in the industrial development field. Assistance is provided to foreign companies interested in establishing plants in this country and to Canadian firms considering expansion or seeking new products to round out their production.

In carrying out these assignments, the Branch works closely with other federal agencies and with provincial, regional, and municipal bodies; also with private development agencies such as railways, banks, power companies, boards of trade, chambers of commerce, and the Canadian Manufacturers' Association.

Direct inquiries received in 1959 included 575 from thirty-three foreign countries and 550 from Canadian sources. Approximately 900 foreign and Canadian businessmen were interviewed in Ottawa. In addition, officers of the Branch consulted with many others during business tours in Canada and abroad.

### New Establishments

Foreign firms making direct investment in Canadian manufacturing during 1959, totalled 130; of these 106 were from the United States, and 15 from the United Kingdom.

A considerable number of these firms were assisted by the Branch in establishing manufacturing facilities in Canada, during the year. A few representative examples will serve to illustrate the wide range of products involved. Reliance Electric and Engineering Company of Cleveland, Ohio, has purchased a modern plant in Stratford, Ontario, to manufacture electronic controls, etc. Crucible Steel Company, Pittsburgh, Pa., has acquired steel-making facilities at Sorel, Quebec, for the production of specialty steel



products. Elco Lubricant Company, a branch of Elco Lubricant Corporation, Cleveland 9, Ohio, has set up a plant in Toronto, Ontario, to produce gear lubricant additives. Fingerhut International Limited, a subsidiary of Fingerhut Products Company, Minneapolis, Minn., has set up a plant in Cornwall, Ontario, to manufacture vinyl auto seat covers. Gibson Greeting Cards Limited, a subsidiary of The Gibson Art Company, Cincinnati, Ohio, has acquired manufacturing space at Leaside, Ontario, to produce greeting cards, promotional and display material. Harper Everlasting Fastenings Limited, a subsidiary of H. M. Harper Company, Morton Grove, Illinois, has established a plant in Toronto, Ontario, for the manufacture of non-ferrous and stainless steel bolts, pins, nuts, screws, and kindred products. Imperial Brass Manufacturing Co. (Canada) Limited, a subsidiary of Imperial Brass Manufacturing Co., Chicago, Illinois, has established a plant in Toronto, Ontario, for the manufacture of tube couplings and valves. Miller Lubricator Co. of Canada Limited, a branch of Miller Lubricator Company, Winona, Minn., has established a plant at Napanee, Ontario, for the production of railway car journal box lubricators. Robbins Floor Products of Canada Limited, a subsidiary of Robbins Floor Products Incorporated, Tuscumbia, Alabama, has set up a plant in Granby, Quebec, to produce floor tile. Robotron of Canada Limited, a subsidiary of Robotron Corporation, Detroit, Michigan, has established in Windsor, Ontario, to manufacture electronic controls for resistance welding equipment. Canadian Tyler Refrigeration Limited, a subsidiary of Tyler Refrigeration Corporation, Niles, Michigan, has established a plant in Tilbury, Ontario, to manufacture commercial refrigeration equipment. Edmont Canada Limited, a subsidiary of Edmont Manufacturing Company, Coshocton, Ohio, has set up a plant in Cowansville, Quebec, to manufacture coated fabric gloves. Dayton Steel Foundry Canada Limited, a subsidiary of Dayton Steel Foundry Company, Dayton, Ohio, has established in Orillia, Ontario, for the production of wheels for busses, trucks, trailers and agricultural equipment. E. B. Kaiser Co. (Canada) Limited, a subsidiary of E. B. Kaiser Company, Glenview, Illinois, has bought industrial land in Oshawa, Ontario, to manufacture insulated piping. Owens-Illinois Canada Limited, a subsidiary of Owens-Illinois, Toledo 1, Ohio, has set up a plant in Toronto, Ontario, to produce plastic containers for liquid detergents. Automatic Timing & Controls, Inc., King of Prussia, Pa., has established a manufacturing subsidiary in Montreal, Quebec, to produce industrial timers. British Titan Products (Canada) Limited, a subsidiary of British Titan Products Company Limited, Coppergate, York, England, has established a plant in Tracy, Quebec, for the production of titanium pigments. Canadian Helmitin Company Limited, a subsidiary of Chemische Fabrik und Heimtextilwerk K. G., Pirmasens, Germany, has established a plant in Toronto, Ontario, for the production of adhesives. Assistance was also provided to a group from Zurich, Switzerland, that erected a large motel at Malton, Ontario. The Canadian entity is known as Canadian Swiss Hotels Limited, Toronto, Ontario.

## Meetings

Officers of the Branch took an active part in the Eleventh Annual Conference of the Provincial Governments' Trade and Industry Council, held at Halifax, Nova Scotia. In addition, the Branch was active at the Boston Trade Fair, the Montreal International Trade Fair in Montreal, Quebec; the American Industrial Development Council meeting in Montreal, Quebec; the Chicago Trade Fair, the Design Engineering Show in Philadelphia, the National Metals Exposition in Chicago; the Atom Fair in Cleveland, and the Quebec Industrial Commissioners Association's meeting at Sherbrooke, Quebec.

## Publications

The English and French editions of the *Small Business Manual* were revised during the year. There is still a very active demand for this Manual. Five chapters of the publication—*Doing Business in Canada* were revised. The brochure—*Financing New Industries in Canada* was brought up-to-date and reprinted in 1959.

The *Industrial Development Bulletin*, which is issued regularly in English and French, gives information on new products developed by foreign organizations and available for manufacture in Canada under licensing and royalty arrangements. The *Bulletin* has a wide circulation, and extensive publicity is given by the technical and financial press to the items contained in it. Its circulation list now includes some 675 Canadian manufacturers seeking new products to round out their production. Increased interest on the part of Canadian companies in new products has expanded the work in the licensing field.

In 1959, the regular publication of a new bulletin—*Investment Opportunities Abroad* was commenced. This Bulletin provides information on foreign companies seeking association with Canadian manufacturers.

## Special Studies

The ever expanding demand for information on Canadian market possibilities has increased substantially the work of the Branch in this specialized field. Surveys were carried out, including major studies on the imports of chemicals and manufactures of iron and steel. These surveys are providing comparative data that serve as bases for more intensive studies of new items. In addition to these studies, special investigations were carried out to develop import information on specific products to satisfy urgent demands from manufacturers.

Background information on Canadian municipalities was maintained in 1959. Once again, this material was found of considerable value to foreign companies interested in establishing manufacturing plants in Canada and to Canadian concerns planning to expand.

## Co-operation with Immigration Branch

The Branch acts in an advisory capacity to the Immigration Branch of the Department of Citizenship and Immigration on the admission of individuals who wish to establish new industries in Canada. This work which was projected into the field of settlement inquiries in 1958, expanded materially during 1959.

## INTERNATIONAL TRADE RELATIONS BRANCH

This Branch is concerned with the formation of Canada's external trade and economic policy, and with the conduct of Canada's commercial relations with other countries, including the negotiation and administration of trade agreements, and Canada's participation in international conferences and organizations affecting trade. Important new responsibilities in the field of trade development were assumed by the Branch in 1959 when the Area Desks of the Trade Commissioner Service were amalgamated with those of the Branch to form a General Relations Division and five area divisions: Commonwealth, U.S., European, Asia and the Middle East, and Latin America. In its reorganized form, the Branch has assumed most of the functions formerly carried out by the Area Desks of the Trade Commissioner Service including the responsibility for coordinating the work of the Trade Commissioners in the field and for general information regarding export opportunities throughout the world.

The activities of the Branch are directed to the safeguarding and improving of the terms of access for Canadian exports in foreign markets. As a service to Canadian exporters the divisions provide expert information, advice, and assistance on tariffs, import and exchange controls, documentation requirements, and other foreign governmental regulations affecting trade. Policies and practices in other countries which affect international trade are kept under close and continuing review so as to maintain comprehensive and up-to-date information on developments and to publicize new measures of interest to Canadian exporters.

The responsibilities of the General Relations Division are to follow and advise on developments affecting Canadian trade relations, relations with international organizations, international commodity arrangements, and questions of broad commercial policy. Officers of this Division are called upon to evaluate and make recommendations regarding particular issues as they arise.

The substantial progress made, particularly by Commonwealth countries and countries of Western Europe, in the relaxation of restrictions and the elimination of discrimination resulted in a marked increase in the trade and tariff inquiries dealt with by the Branch during 1959. In addition, developments in Europe in relation to the implementation of the EEC and proposals for an EFTA focussed attention on the tariff and trade implications of these developments for Canadian sales.



In relation to Commonwealth countries, work was done in preparing for the Canada—Australia trade agreement discussions; the Canada—U.K. Continuing Committee in July, and meetings of the Commonwealth Consultative Committee in March and November. The termination of the Canada—West Indies Trade Liberalization Plan at the end of the year involved extensive work for the Branch. A special study of the commercial relations between Canada and the West Indies was also undertaken, in relation to the plans for the West Indies Federation including proposals for a West Indies common tariff.

With regard to the United States, apart from developments referred to in Part I of this report, the Branch followed closely the detailed work of the United States Tariff Commission. The Commission continued its study towards full scale revision and consolidation of the United States tariff schedules. It is expected that the complete set of proposals for the new tariff will be submitted to Congress during 1960.

The problems raised for our mining industry by the imposition in 1958 of United States import restrictions on lead and zinc continued to receive close study by the Branch in cooperation with other Branches of the Department. Canadian industry representatives indicated their intention to appear before the Tariff Commission in its investigation into the domestic lead and zinc problems. In this and in the other problems related to investigations by U.S. government agencies, such as escape-clause action concerning imports of mink furs, calf leather, hardwood plywood, and red fescue seed, the Branch maintained a close contact with Canadian exporters and, where appropriate, assisted them in preparing their submissions to the U.S. investigating bodies.

U.S. actions in the trade field favourably affecting Canadian exports included exemption from import restrictions of Canadian crude oil entering the U.S. by pipe line and reversion to the lower trade agreement rates of the U.S. tariff on alsike clover seed. Also, a United States Customs Court ruling in the course of the year favourably affected the tariff classification for Canadian exports of fish blocks.

In Europe, new Customs tariffs based on the Brussels nomenclature were introduced during the year by Norway, Denmark, Finland, Italy, Portugal, Sweden and Switzerland. These tariffs were the subject of special studies in the Branch from the point of view of Canadian trade interests. With the exception of the Benelux Union, Greece and Spain, all tariffs in Western Europe are now based on the Brussels nomenclature.

Developments in countries of Asia and the Middle East relating to the work of the Branch included the Japanese announcement during the year of a number of liberalization measures. Turkey reduced deposit requirements for imports from 100 per cent to 10 per cent and liberalized imports of many items of industrial and agricultural equipment. Iraq and Burma removed discrimination against dollar imports and the Sudan relaxed some import restrictions. Iran increased foreign exchange allocations for imports and



Taiwan took measures to simplify its exchange rates. Indonesia devalued its currency and adopted stricter imports and exchange regulations. Effective January 1960, Thailand adopted a new tariff based on the Brussels nomenclature and Israel revised its base metals tariff to conform to this nomenclature. In the course of the year, Israel provisionally acceded to the GATT.

Import restrictions faced by Canadian exports in a number of Latin American countries continued to be a matter of concern to the Branch and efforts were made to mitigate their adverse effects upon Canadian trade. Other developments in Latin America in 1959 included the introduction of new Customs laws and tariffs by El Salvador and Guatemala based on the uniform Central American nomenclature which is now used by all five Central American countries as well as Panama and Venezuela. A new Colombian Customs law and tariff was introduced in 1959. In Cuba new import control measures were introduced. The Branch also paid special attention to regional developments in Latin America, such as the Central American Free Trade Zone, and the proposed Southern Free Trade Area involving Argentina, Brazil, Chile, Uruguay, Bolivia, Paraguay and Peru.

## SMALL BUSINESS BRANCH

The Small Business Branch was established in 1958 to provide, as announced in the Speech from the Throne, "a liaison between the Government and small business to study the problems of small business and to advise the Government on measures necessary to meet them".

More specifically, the duties of the Small Business Branch were outlined by the Minister of Trade and Commerce as follows:

1. to act as a clearing house in referring enquiries of small business to the appropriate departments of the Canadian Government or provincial and municipal governments and to various other organizations and institutions;
2. to compile and distribute bulletins and reports on topics of general interest to small business including information on government procurement;
3. to assist small business on request to obtain statistical, technical and other information on management, production and marketing problems;
4. to undertake studies concerning small business, particularly for guidance of the Government in developing new policies in this field and as background material for dealing more effectively with the problems of small business;
5. in the course of its work, to consult and co-operate with educational institutions, representative business associations and other private organizations.

In accordance with these terms of reference, the Branch has initially developed its activities along two broad lines. One of the primary functions of the Small Business Branch has been to accumulate background information on the relative position of small business in the Canadian economy and on the particular problems of small businessmen. This has been done through interviews and visits with individual businessmen and business associations, through correspondence with businessmen and by independent research. In 1959, the Branch held formal meetings with representatives of the wholesale and retail trades in addition to informal meetings with the executive members of these trades. All aspects of the problems of small distributors including their financial problems were discussed at these meetings. Discussions were also held with a number of groups and associations representing various fields of manufacturing. These meetings allowed a useful exchange of ideas and opinions on a wide range of topics concerning the problems of small business.

In March, 1959, officers of the Branch held a lengthy series of discussions in Washington with the officials of the United States Small Business Administration. These discussions were of great assistance to the Small Business Branch in understanding the problems of small business and the various types of assistance that can be provided by the government. The Small Business Branch also maintained a constant review of the activities and publications of the United States Small Business Administration.

In addition to collecting this background information on small business in Canada and the United States, the Branch has embarked upon its own research program. A detailed study was made of the relative position of small business in the retail trade field and statistics of small business in other major industrial sectors have been compiled for analysis. The Branch has also been studying the purchasing methods of the Federal Government with the objective of understanding the role of small business as a source of supply for governmental needs.

The other major area of activity of the Small Business Branch has been in acting as a liaison body between businessmen and the government, between various levels of government and between agencies and departments within the Federal Government. Since various kinds of aid to small businessmen are already being provided by a number of federal government departments, the liaison work of the Branch with these departments and agencies has been considered of prime importance. From the inception of the Small Business Branch, close liaison has been maintained with the Departments of Justice, Finance, Labour, Citizenship and Immigration and with the Bank of Canada. Federal Interdepartmental Committees on Small Business have been established upon which these and other federal government departments are represented. These committees have held a series of meetings at which all the various types of government aid to small business have been discussed. The Small Business Branch in developing its program is attempting to make full use of the services already in existence for small business within the federal government and to co-ordinate these activities with those of its own.

Further contact with the provincial government departments having a particular interest in small business was developed in 1959 and a complete file on the activities of these provincial government departments and agencies has been assembled.

While the Small Business Branch has concentrated its efforts principally in accumulating background information and in establishing liaison with business and other government departments, it has already proved to be very useful to small businessmen as a clearing house for their enquiries on a variety of subjects. The Branch received and answered a large number of letters in 1959, and had personal visits from a considerable number of individual businessmen. The subjects raised in these letters and visits ranged from how to establish various types of businesses to more specific questions relating to taxation, unfair business practices, financing, inventory control and other managerial techniques. In a great number of cases, the Branch was able to meet these requests from its own resources while other enquiries were referred to the federal government departments which had the required information.

## STANDARDS BRANCH

The Standards Branch field staff exercises "in use" supervision of commercial measuring devices in the field of general trade and in the distribution of gas and electricity. Additionally, inspections are maintained in the precious metals field, and for the labelling and advertising of certain other commodities. The Laboratory makes its facilities available to other government departments and to industry.

The number of meter inspections under the *Electricity Inspection Act* and the *Gas Inspection Act* declined from 1958. This resulted from a change in the seal period in 1953. In that year, the normal six-year period was extended by two years for certain of the more modern types. This meant that a number of meters, which would normally become due in 1959, would not be reinspected until 1961. The number of new meters inspected remained the same. Total meters inspected in 1959 amounted to 1,075,828 as compared with 1,202,609 for 1958. In 1959 there were 4,941,691 electricity and 1,110,960 gas meters in commercial use.

With the proclamation of the *National Energy Board Act* on November 2, 1959, the *Exportation of Power and Fluids and Importation of Gas Act* was repealed. With the exception of certain duties which the Branch will undertake as agents of the new Board, the other responsibilities were transferred to it. Returns henceforth will be made by that body.

Inspections of equipment for 1959 under the *Weights and Measures Act* showed an increase over 1958, rising from 474,583 to 479,523. The increase in the installation of large and complicated weighing and measuring machines continued. Type approvals granted in 1959 included 160 new types or models.

Boats were again chartered for inspection of coastal areas of British Columbia and Newfoundland.



The volumetric and heavy duty test units continue to be valuable additions to inspection work across the country. Short weight checking is gradually being extended to the production level. Overall results indicate a generally satisfactory condition. Inspection fees were revised in 1959, resulting in a greatly improved expenditure/revenue balance.

Regulations under the *National Trade Mark and True Labelling Act* set out in the Report for 1957 continue to be effective. While it had been hoped that the first tangible results of the work of the Committee on size standards for children's and women's clothing would be apparent in 1959, these will be achieved in 1960.

Satisfactory compliance with the provisions of the *Precious Metals Marking Act* was indicated in the inspections at retail, wholesale and manufacturing levels of the trade, as well as at Customs ports. Assays and tests were made to ensure that the precious metal content complied with the standards required by the Act. Advertising material, labels and markings were followed closely in this field and in those referred to in the foregoing paragraph.

The program of the Standards Laboratory in calibrating field standards, in approval testing of commercial measuring devices, and in the precision standardizing of certain equipment for industry and other government departments, was satisfactorily maintained. This embraces the fields of electricity, fluid flow, volume and weight measurement, and other related factors.

There was a marked increase in complexity of the equipment submitted for approval of type. This was particularly evident in the field of gas flow measurement where the trend is toward the incorporation of analogue devices to compute flow integration, and to compensate for variations of line temperature and pressure. The testing of such complex equipment, and the need to design and build test facilities have slowed the approvals program to some extent. Improved facilities, which are in the course of installation, will rectify the situation in the next several months.

## TRADE COMMISSIONER SERVICE

The overseas arm of the Department, the Trade Commissioner Service, continued to promote Canada's foreign trade interests on the ground abroad. More than 100 officers were maintained at the 59 posts in 46 different countries. Appendix "G" records the locations of their respective offices.

In addition, in view of Canada's breadth, regional domestic offices were operated in Vancouver, B.C., and St. John's, Newfoundland, to act as a link for the Department with businessmen on the Pacific and Atlantic coasts.

### Organization

Early in the year, the new position of Executive Director, Trade Commissioner Service, was established to assist the Director.



At mid-year, the Area Trade Officers in the headquarters of the Service at Ottawa were amalgamated with the geographical divisions of the International Trade Relations Branch of the Department. The enlarged geographical divisions undertook most of the trade development functions of the former Area Trade Officers as well as their own previous trade policy work, thus providing a more logical and practical departmental structure.

## Trade Promotion Activities

The duties of a Trade Commissioner include securing market and credit information for the Canadian exporter; conducting market surveys; recommending suitable agents; reporting on export opportunities; and supplying up-to-date information on tariffs, import quotas and exchange controls.

Maintaining close liaison with local government officials and businessmen is an integral part of a Trade Commissioner's work. In addition, he is called upon to recommend and organize Canadian trade exhibits in foreign fairs and frequently to attend international conferences as Canada's delegate.

During 1959, Trade Commissioners were instrumental in setting up 741 agency or buying connections for Canadian exports and more than 6,780 enquiries from Canadian exporters about foreign markets were received and processed. The handling of enquiries from foreign buyers concerning Canadian products also comprised an important part of the work.

A gauge of the effectiveness of the trade promotional work is the fact that the total of new business influenced in various ways by all Trade Commissioners during the calendar year 1959 was more than \$100 million.

## Personnel

At December 31, there were 144 officers on strength in the Trade Commissioner Service, of whom 112 were on duty in the overseas offices. Twelve recruits taken on during the year were in training in Ottawa.

On October 2, Mr. G. H. Rochester, latterly Commercial Counsellor (Timber) at Canada House, London, commenced retirement leave after 15 years' service with the Department, out of a total of 35 years with government.

On December 2, Dr. W. C. Hopper, Minister (Commercial) at the Canadian Embassy, Washington, left that post for retirement after 37 years' service with government, the last 13 of which were with the Trade Commissioner Service.

In a number of offices abroad, Canadian clerical and stenographic staff are posted. Classified as Foreign Service Employees, these clerks and stenographers carry out complementary functions under the direction of the Trade Commissioner. To make adequate provision for security, Foreign Service Employees are to be stationed at an increased number of posts and the need for further recruitment to meet objectives is expected to continue for some time. At the end of the year, 42 Foreign Service Employees were on strength, stationed at 19 overseas offices as well as at Ottawa.

The successful functioning of the Trade Commissioner Service would not be possible without the loyal assistance and support of personnel engaged locally in the posts abroad. At year end, 300 local employees were on strength.

## TRADE PUBLICITY BRANCH

Trade promotion embraces the employment of many services, and the provision of information concerning the character of a country, its economic development, resources and commodities available for export. In much the same way as private industry utilizes various media in directing the attention of prospective purchasers to its products or services, the Trade Publicity Branch supports specific campaigns in foreign lands. It also provides Canadian firms with a better understanding of the guidance obtainable from trade commissioners in the field and other personnel of the Department at home. This involves close co-operation with other branches, other departments of government, with trade associations and with industry itself.

The Canadian Trade Fairs in Kingston and Port-of-Spain during the early months of 1959, and the Canadian Chamber of Commerce Mission to The West Indies and British Guiana provide an outstanding example of a fully co-ordinated publicity campaign. This involved:

- (a) Advertising in magazines and daily newspapers.
- (b) The provision of special articles for such publications, some of which produced special issues associated with Canada's promotional campaign.
- (c) The preparation of press releases relating to the displays of products, film presentations, fashion shows, entertainment, playground facilities, trade developments and former exhibitions in The West Indies, historical associations with Canada, opening ceremonies, and the composition of the trade mission.
- (d) The provision of photographs of personnel connected with the trade fair and trade mission, the central geodesic dome, the Canadian government exhibit and Canadian industry, for reproduction in West Indian publications. Mat releases of photo stories on Canada were also supplied for use by newspapers.
- (e) The preparation of folders pertaining to the Canadian display, and the provision of other literature for distribution at the trade fairs.
- (f) The distribution of posters in Jamaica, the Bahamas, Trinidad, the Windward and Leeward Islands, British Guiana and British Honduras.
- (g) The provision of a special calypso pertaining to the exchange of commodities with The West Indies, and a tape recording with musical accompaniment.

- (h) The preparation of radio spot announcements, for broadcasting in Jamaica and Trinidad.
- (i) Co-operation with the Canadian Broadcasting Corporation in the preparation of television and radio programs, for presentation over Canadian networks.
- (j) Co-operation with the National Film Board in providing special films for use in cinemas in Trinidad and British Guiana during the trade fair and visit of the trade mission.
- (k) The procurement of photographs of the trade fairs, for use in the West Indies and Canada.

A somewhat similar campaign was undertaken in connection with the Canadian Trade Fair in Boston, held in April and also an outstanding success. With the co-operation of newspapers, forum discussions and essay contests were planned. Participation by Canada in trade fairs of an international character, or in trade shows involving a single industry or group of products, provided opportunities for the employment of these publicity media to a lesser extent. Advertising campaigns, in support of Canadian commodities in countries with a market potential for such products, were planned.

### *Foreign Trade and Commerce extérieur*

Commercial intelligence, provided in the form of reports from trade commissioners, was published in *Foreign Trade* and its French-language counterpart, *Commerce extérieur*. Articles by other officers of the Department and by Canadian businessmen supplemented the flow of material from abroad on trading conditions and market opportunities.

Special features published during the year included surveys of markets for nuclear products and for engineering services and equipment, a study of trading developments and opportunities in the Netherlands, a review of world markets for paints and varnishes, and a series of articles on advertising abroad. The magazine carried interviews with successful Canadian exporters, in an effort to stimulate interest in sales opportunities overseas. The series of illustrations on "Canada in Foreign Markets" was continued, and another on "Trade Commissioners at Work" was introduced to readers, in order to provide them with some idea of the services obtainable from Canada's corps of salesmen in other lands.

The circulation of *Foreign Trade* remained constant during the year. Students in economics, international trade and related courses at Canadian universities were enabled to subscribe for this publication at a reduced rate of one dollar a year, and many took advantage of the opportunity to broaden their syllabus of training. *Commerce extérieur*, on the other hand, lost some of its few subscribers, despite efforts to increase its circulation.



## Services to the Press

Countless inquiries and requests for information on trade, Canada's economy and industrial development are received from newspaper and other correspondents seeking facts and figures for use in articles; many for reproduction in supplements in foreign lands. Requests for authoritative information rise as this country becomes a more important source of news, more particularly for those interested in the investment of funds in new projects. Press releases, statements and speeches of interest to businessmen are made available to newspapers, trade publications and trade associations.

For the fourth year in succession, the branch was actively connected with the visit to Ottawa of thirty-seven Sloan Fellows from the School of Industrial Management, Massachusetts Institute of Technology. These junior executives of leading firms throughout the United States, and including several from other lands, provide in their year's syllabus of training in Boston a three-day visit to Canada, during which they are enabled to familiarize themselves with the economy and development of this country. A tour of the St. Lawrence Seaway followed their visit to Ottawa in April.

## Trade Fairs Abroad Office

Participation in foreign trade fairs is one of the more effective and inexpensive ways of advertising Canada and Canadian products abroad. Accordingly, trade fair exhibits play a significant role in the Department's export trade promotion activities. They permit the display of Canadian goods in the very markets it is wanted to reach, directly before concentrations of interested buyers and traders who have assembled purposely to view, compare, and consider, offerings in their particular merchandise fields.

Through trade fairs the Department can accomplish initial promotion of Canadian goods not previously sold in a particular market, or can strengthen the market coverage of lines already introduced; it can greatly assist the Canadian trade commissioner in his special duties; both the Department and Canadian firms participating acquire further knowledge about export prospects and market requirements, including the activities of foreign competitors. In fairs to which the public is admitted, an effective information job for Canada can be performed.

One of the aims of the trade fair program is to convince Canadian manufacturers of the value of participation in foreign trade fairs on their own. For many Canadian firms the trade fair program bridges the gap between no use of this trade promotion technique by that firm at all, and the time when the firm will be able to exhibit by itself.

The Department's program is developed by carefully considering what products it is wished to sell in a particular market and then choosing a suitable fair. To do this, trade commissioners, departmental commodity officers, and trade associations are consulted for their views; then a draft



program is submitted to the Trade Fairs Advisory Committee, a group made up of senior officers of the Department of Trade and Commerce. The Trade Fairs Abroad Office, which is the executive arm of this Committee, is responsible for carrying out this preparatory work and the necessary follow-up.

Although in the past the Department of Trade and Commerce has paid the expenses of participation, there were three events in 1959 in which participants had an opportunity to share the cost. In the two all-Canadian fairs in the West Indies, the participants bore about 27 per cent of the cost, individual contributions varying with the amount of space occupied. At a specialized fair in the United States, the exhibitors on the Government stand bore about 22 per cent of the cost, each contributing a flat participation fee. In 1960 this cost sharing basis for participation will be further developed. For example, under close examination is the possibility of organizing a number of samples displays specially tailored to the territories of individual trade commissioners, with all expenses being borne by the participants.

There were 1,035 private Canadian manufacturers who displayed their products in 22 exhibits sponsored by the Canadian government in foreign fairs in 1959. The comments received from individual participants have provided encouraging evidence that the efforts of the Department enjoy the endorsement of the Canadian business community. For details of the 1959 program, see Appendix "E".

The program for 1960 calls for participation in 17 foreign trade fairs, with a much stronger emphasis on the specialized or "one industry" type fair as opposed to the "general" type fair.



Part III

Appendices





## Appendix "A"

### Legislation Administered by the Department of Trade and Commerce

1. Legislation for which the Department is administratively responsible:
  - Department of Trade and Commerce Act
  - Electrical and Photometric Units Act
  - Electricity Inspection Act
  - Export Act
  - Export and Import Permits Act
  - Exportation of Power and Fluids and Importation of Gas Act
  - Gas Inspection Act
  - Grain Futures Act
  - Inland Water Freight Rates Act
  - Length and Mass Units Act
  - National Trade Mark and True Labelling Act
  - Precious Metals Marking Act
  - Statistics Act
  - Weights and Measures Act
2. Other Legislation, reported to Parliament through the Minister of Trade and Commerce:
  - Atomic Energy Control Act
  - Canada Grain Act
  - Canadian Wheat Board Act
  - Export Credits Insurance Act
  - National Energy Board Act
  - Newfoundland Fisheries (Term 22 of Union)
  - Northern Ontario Pipe Line Crown Corporation Act
  - Prairie Grain Advance Payments Act
  - Prairie Grain Producers Interim Financing Act
  - Research Council Act
  - Temporary Wheat Reserves Act

## Appendix "B"

### Directory of Boards, Crown Companies and Agencies

1. Reporting to Parliament through the Minister of Trade and Commerce
  - Board of Grain Commissioners—*  
Chief Commissioner, R. W. Milner
  - Canadian Wheat Board—*  
Chief Commissioner, W. C. McNamara
  - Dominion Bureau of Statistics—*  
Dominion Statistician, W. E. Duffett
  - Export Credits Insurance Corporation—*  
President and General Manager, H. T. Aitken
  - National Energy Board—*  
Chairman, Ian N. McKinnon
  - Northern Ontario Pipe Line Crown Corporation—*  
President, D. A. Golden
2. Reporting to Parliament through the Minister of Trade and Commerce as Chairman of the Privy Council Committee on Scientific and Industrial Research
  - Atomic Energy Control Board—*  
President, C. J. Mackenzie
  - Atomic Energy of Canada Limited—*  
President, J. L. Gray
  - Canadian Patents and Development Limited—*  
President, F. T. Rosser
  - Eldorado Aviation Limited—*  
President, A. B. Caywood
  - Eldorado Mining and Refining Company Limited—*  
President, W. M. Gilchrist
  - National Research Council—*  
President, E. W. R. Steacie
  - Northern Transportation Company Limited—*  
President, F. W. Broderick
3. The activities of these organizations are described in their respective annual reports.

## Appendix "C"

### Distribution of Departmental Staff

as at December 31, 1959

	<u>1957</u>	<u>1958</u>	<u>1959</u>
Administration Branch .....	158	165	170
Agriculture and Fisheries Branch .....	21	24	26
Canadian Government Exhibition Commission ....	86	95	84
Commodities Branch .....	114	112	110
Economics Branch .....	35	37	36
Energy Studies Branch .....	5	6	4
Industrial Development Branch .....	20	24	29
Economic and Technical Assistance Branch .....	39	43	54
International Trade Relations Branch .....	32	31	44
Small Business Branch .....	....	6	10
Standards Branch .....	374	387	386
Trade Commissioner Service .....	468	479	490
Trade Fairs Abroad Office .....	....	3	5
Trade Publicity Branch .....	15	16	19
	<hr/> 1,367	<hr/> 1,428	<hr/> 1,467
The above figures do not include the following:			
Board of Grain Commissioners .....	935	935	912
Canadian Government Elevators .....	211	237	234
Dominion Bureau of Statistics .....	1,574	1,640	1,661
	<hr/> 4,087	<hr/> 4,240	<hr/> 4,274
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Appendix "D"

### Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1956-57 to 1958-59

	<u>1956-57</u>	<u>1957-58</u>	<u>1958-59</u>
ORDINARY			
Minister's Salary and Motor Car Allowance	\$ 17,000	\$ 17,000	\$ 17,000
General Administration			
Departmental Administration .....	629,872	741,788	813,242
Commodities Branches and Industrial Development .....	707,290	793,276	876,115
Trade Commissioner Service			
Administration and Operation .....	2,875,604	3,221,212	3,307,498
Acquisition or Improvement of Buildings, Land, Equipment and Furnishings .....	33,109	62,696	148,948
Trade Publicity Branch .....	184,605	196,705	216,259
Economics Branches .....	215,902	240,481	271,042
International Trade Relations Branch ....	141,519	178,090	194,890
Exhibitions			
Exhibitions Generally .....	410,347	461,777	701,912
Canadian Participation in the Brussels Universal and International Exhibition 1958 .....	378,821	1,585,642	697,640
Standards Branch			
Administration and Precious Metals Marking Act .....	222,961	289,684	275,405
Electricity and Gas Inspection Services	834,573	920,692	950,328
Weights and Measures Inspection Services	849,102	966,157	1,019,513
Dominion Bureau of Statistics			
Administration .....	180,881	193,356	204,187
Statistics .....	5,801,820	6,647,865	7,106,417
Census .....	4,068,484	637,196	525,829
Expenses in connection with the 1958 Survey of Farm Income and Expenditure .....	....	....	406,007
Canada Grain Act			
Board of Grain Commissioners			
Salaries of the Commissioners .....	45,474	42,000	42,000
Administration .....	148,925	159,631	161,833
Operation and Maintenance .....	3,935,237	4,135,499	4,309,937
Canadian Government Elevators			
Operation and Maintenance .....	1,351,039	1,372,842	1,485,646
Construction or Acquisition of Buildings, Works, Land and Equipment .....	372,160	552,260	141,542
	<u>\$23,404,725</u>	<u>\$23,415,849</u>	<u>\$23,873,190</u>



SPECIAL	1956-57	1957-58	1958-59
Temporary Wheat Reserves Act			
Payment of Carrying Costs of Temporary			
Wheat Reserves owned by The			
Canadian Wheat Board .....	31,805,652	33,307,928	38,401,372
International Economic and Technical Co-op-			
eration Branch .....	178,606	212,636	333,133
Pensions to Former Locally Engaged			
Employees .....	474	1,333	1,986
To reimburse the Canadian Wheat Board for			
the loss incurred by it on its operations			
in respect of oats for the crop year			
August 1, 1956 to July 31, 1957 .....	....	....	2,132,586
Payments under Prairie Grain Advance Pay-			
ments Act .....	....	....	893,210
Gratuities to Families of Deceased Employees			
.....	....	1,200	550
	<u>\$31,984,732</u>	<u>\$33,523,097</u>	<u>\$41,762,837</u>
TOTAL: Ordinary plus Special .....	<u>\$55,389,457</u>	<u>\$56,938,946</u>	<u>\$65,636,027</u>

## 2. Expenditures, by Main Headings Only

For comparative purposes the following table has been compiled on a calendar year basis.

	1957	1958	1959
Minister's Salary and Motor Car			
Allowance .....	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
General Administration .....	5,221,327.81	5,754,522.39	6,090,311.48
Exhibitions .....	1,338,492.15	2,029,353.56	954,696.67
Standards Branch .....	2,132,013.63	2,245,241.29	2,311,419.39
Dominion Bureau of Statistics .....	7,429,235.02	7,872,643.63	8,598,149.74
Canada Grain Act .....	6,438,689.04	6,193,104.06	5,906,791.61
Temporary Wheat Reserves .....	31,816,765.80	33,473,508.68	41,365,303.48
International Economic and Technical			
Co-operation Branch .....	205,645.85	291,129.18	331,507.69
Canadian Wheat Board Act			
Reimbursement for loss in			
respect of oats for 1956-57			
crop year .....	....	2,132,586.03	....
Prairie Grain Advance Payments .....	....	....	1,020,124.20
Other: Pensions and Gratuities .....	....	1,750.00	2,171.43
TOTAL .....	<u>\$54,599,169.30</u>	<u>\$60,010,838.82</u>	<u>\$66,597,475.69</u>

## 3. Statement of Revenue

For the Fiscal Years 1956-57 to 1958-59

	1956-57	1957-58	1958-59
Canada Grain Act .....	\$ 2,960,885	\$ 2,659,062	\$ 2,749,474
Canadian Government Elevators .....	2,096,634	1,847,281	2,048,124
Weights and Measures Inspection Services ....	752,143	747,574	802,149
Electricity and Gas Inspection Services .....	933,025	924,266	905,042
Electricity and Fluid Exportation Act .....	1,582,495	1,427,184	1,190,360
Eldorado Mining and Refining Ltd. (Dividend			
on Shares) .....	....	3,525,000	3,525,000
Northern Ontario Pipe Line Crown Corpora-			
tion—Interest on Loans .....	881,775	569,303	3,077,794
Export Credits Insurance Corporation—			
Premiums in excess of expenses .....	449,613	420,119	191,927
Miscellaneous .....	134,417	63,699	72,215
TOTAL: .....	<u>\$ 9,790,987</u>	<u>\$12,183,488</u>	<u>\$14,562,085</u>

## Appendix "E"

### Projects of the Exhibition Commission

#### Part I—Projects Sponsored by the Department of Trade and Commerce

*Canadian Trade Fair, Kingston, Jamaica*  
January 16-25, 1959.....Attendance: 100,000  
(approximately)

This event, as described fully in the body of this report, was a wholly Canadian project. Some 92 Canadian firms rented space for individual displays.

*National Home Builders Association Convention, Chicago, Ill.*  
January 18-22, 1959.....Attendance: 30,000

With co-operation of Canadian Lumber Associations, this exhibit occupying 450 square feet, featured a wide range of Canadian woods and wood products.

*National Sporting Goods Association, Chicago*  
February 1-5, 1959.....Attendance: 9,600

A display in the Clark Room, Morrison Hotel, exhibited sports goods and equipment supplied by 28 Canadian firms.

*Canadian Trade Fair, Port-of-Spain, Trinidad*  
February 20-March 1, 1959.....Attendance: 90,000

This event, as described more fully in the body of this report, was a wholly Canadian project. Some 115 Canadian exhibitors rented booths for individual displays.

*Rand Easter Show, Johannesburg, S.A.*  
March 17-30, 1959.....Attendance: 628,000

The 4,200 square foot Canadian Pavilion erected in 1958 was refurbished and filled to capacity with a display of products supplied by 144 Canadian firms and included consumer goods, engineering, industrial and earth moving equipment, forest products, chemicals, metals and minerals, grains and foods, etc.

*Atomfair, Public Auditorium, Cleveland, Ohio*  
April 5-10, 1959.....Registered Attendance: 3,000

A display of nuclear equipment was installed in a space of 1,300 square feet with 36 companies contributing products. This was the first major showing in this field and it should be noted that industry co-operated extremely well in manning this very technical exhibit.

*Fur Salon, Vienna, Austria*  
April 7-9, 1959.....Invited Attendance: 420

Canadian raw and dressed pelts and finished garments were shown in three salons of the Hotel Bristol in Vienna to members of the Fur Trade.

*Milan International Trade Fair, Milan, Italy*  
April 12-27, 1959.....Attendance: 4,300,000

Participation in this event was co-sponsored with the Department of External Affairs. The exhibit occupied 1,400 square feet in the Hall of Nations and was conceived as a trade informational stand on the general theme "Canada as a Supplier of Raw Materials for Italian Industry".

*Frankfurt Fur Fair, Frankfurt, Germany*

April 16-19, 1959.

With the co-operation of the Canadian Mink Breeders Association and the Department of Northern Affairs and National Resources, an exhibit featuring raw and dressed pelts and finished garments was installed in an area of 1,150 square feet. A fashion show was held in conjunction with the exhibit.

*Canadian Trade Fair, Sheraton Plaza Hotel, Boston, Mass.*

April 20-24, 1959.....Attendance: 20,000  
(approximately)

Occupying 10,000 square feet in the ballroom and foyer of the hotel, a wide range of Canadian products was displayed with 135 firms participating. Products included sporting goods and toys, pleasure boats and marine supplies, musical instruments, leather products, furs, giftwear and handicrafts, fabrics, dressgoods and sportswear, wood products, foodstuffs and beverages, industrial raw materials, and machinery.

*Popular Price Shoe Show of America, New York*

May 3-7, 1959.

This display, in the Sheraton-McAlpin Hotel, exhibited footwear from 10 Canadian firms.

*Tokyo International Trade Fair, Tokyo, Japan*

May 5-22, 1959.....Attendance: 1,870,000

This exhibit occupied 1,350 square feet in Building No. 3 and included wheat and flour and allied products, pharmaceuticals, chemicals, sporting equipment, metals, uranium ore, a Gammacell and a Beam Therapy Unit. 46 Canadian firms supplied products.

*Design Engineering Show, Convention Hall, Philadelphia, Pa.*

May 25-28, 1959.....Attendance: 16,900

This exhibit occupied 900 square feet and included mechanical, electrical and electronic equipment from 26 Canadian firms. This was a first major showing in this field and Canadian industry co-operated extremely well in manning this very technical show. Fourteen firms sent representatives to man their exhibits.

*Montreal International Trade Fair, Show Mart, Montreal, Que.*

June 5-13, 1959.

An information booth occupying 300 square feet was installed here.

*International Specialty Food and Confection Show, Chicago, Ill.*

June 28-July 1, 1959.

A relatively small display occupying 160 square feet was mounted in the Hotel Sherman to show Canadian food products from 18 firms.

*Sydney Industries Fair, Sydney, Australia*

July 20-25, 1959.....Attendance: 48,764

This display occupied 1,600 square feet and featured consumer goods, forest products, engineering equipment, metals and minerals, fish products and tobacco. 62 Canadian firms contributed products.

*St. Eriks Fair, Stockholm, Sweden*

September 2-13, 1959.....Attendance: 304,000

Participation in this event was for the first time and was strongly supported by the Department of External Affairs. The exhibit occupied 3,000 square feet and included a wide range of consumer goods, aluminum products, a Gammacell, and handicrafts. 49 Canadian firms contributed products.

*The Royal Salisbury Show, Salisbury, Southern Rhodesia*

September 9-12, 1959.....Attendance: 79,500

The main bulk of products displayed at the Rand Easter Show was moved to Salisbury and displayed in the geodesic dome described in the main body of this report.

*Anuga Food Exhibition, Cologne, Germany*

September 26-October 4, 1959.....Attendance: 300,000

The products of 26 Canadian firms in the food industry were displayed in 1100 square feet of space.

*Pacific International Trade Fair, Lima, Peru*

October 1-18, 1959.....Attendance: 655,000

This was a first event and our participation was in a semi-detached pavilion of 4300 square feet built by the fair authorities. A wide range of Canadian goods was shown including consumer goods, mineral products, chemicals, electronic, industrial and mining equipment, and paper.

*41st National Metals Exposition, Chicago, Illinois.*

November 2-6, 1959.....Attendance: 50,000

Occupying 2,245 square feet of space, the products of 16 Canadian firms were displayed including heavy machinery and attachments, ores, metals and metal products, wire and cable, conductors, and moulding equipment. All firms sent representatives to man their exhibits.

*Building Trades Exhibition, London, England.*

November 18-December 2, 1959.

With the co-operation of Canadian Lumber Associations, this exhibit occupying 1,152 square feet, featured Canadian wood and wood products, building materials and heating equipment.

## Part II—Projects Undertaken and Sponsored by Other Departments

*National House Builders Association, Queen Elizabeth Hotel, Montreal, P.Q.*  
January 13-15, 1959.

A 20' display was designed and constructed for Central Mortgage and Housing Corporation.

*Grüne Woche Agricultural Fair, West Berlin, Germany*

January 30-February 8, 1959. ....Attendance: Total— 550,000  
West Germany 418,000  
East Germany 132,000

This exhibit, comprising existing material, occupied 250 square feet and was provided in the interests of the Departments of External Affairs and Citizenship and Immigration.

*Institute of American Poultry Industries,  
Fact Finding Conference, Kansas City, Mo.*

February 13-15, 1959.....Registered Attendance: 3,695

A 20' display, sponsored by the Department of Agriculture, depicted inspection, grading and packing of Canadian eggs and poultry.

*National Home Show, Coliseum, Toronto, Ont.*

April 3-10, 1959.

A 21' display was designed and constructed for Central Mortgage and Housing Corporation.

*Museum of Science and Industry, Chicago, Ill.*

April 30-July 12, 1959.

An informational exhibit originally produced in 1957 and previously used at Los Angeles and San Francisco, was renovated and installed at the Museum in an area of 1,600 square feet in the interests of the Department of External Affairs.



*National Conference of Social Work, Convention Hall, Philadelphia, Pa.*

May 19-25, 1959.....Registered Attendance: 6,500

Sponsored by and for the account of the Department of National Health and Welfare, a 20' display portrayed the welfare provisions administered by the Canadian Government.

*Gander Airport Terminal*

May, 1959.

Sponsored by and for the account of the Department of Transport, 16 general information displays were designed, produced and installed in 8 double-sided 7' x 7' display cases in the new Terminal Building. Four more displays were completed and installed later in the year. A number of government departments and organizations assisted in the project with advice and material contributions.

*Poznan International Fair, Poznan, Poland*

June 7-21, 1959.....Attendance: 400,000

Sponsored by the Department of External Affairs and with the assistance of Trade and Commerce, Canada occupied Pavilion No. 26 with an area of 3,766 square feet. The display included consumer goods, chemicals, forestry equipment, a Gammacell, and steel and aluminum products. The remainder of the pavilion was used to provide an 80-seat cinema.

*Chicago International Trade Fair, Chicago, Illinois.*

July 1-18, 1959.....Attendance: 850,000

Sponsored by the Department of External Affairs and supported by Trade and Commerce, a 1,000 square foot exhibit was produced giving trade and general information on Canada in relation to the Chicago area, and the St. Lawrence Seaway. British Columbia, Manitoba and Trans-Canada Airlines also exhibited, thus creating a substantial Canadian area.

Her Majesty, Queen Elizabeth II, and H.R.H. Prince Philip visited the Fair and with Prime Minister and Mrs. Diefenbaker stopped by the Canadian area during their tour of the Fair.

*Pacific National Exhibition, Vancouver, B.C.*

August 22-September 7, 1959.

Sponsored by and for the account of the Department of External Affairs, an existing exhibit occupying 1,000 square feet, dealing with Colombo Plan activities, was adjusted, refurbished, and installed in keeping with the Exhibition's theme "Salute to the Orient".

*Armed Forces Exhibit, Canadian National Exhibition, Toronto, Ont.*

August 26-September 12, 1959.....Attendance: 2,640,000

Sponsored by and for the account of the Department of National Defence in the interests of recruiting, this exhibit covered 8,000 square feet.

*Armed Forces Exhibit, Quebec Provincial Exhibition, Quebec City*

August 28-September 5, 1959.....Attendance: 405,000

Sponsored by and for the account of the Department of National Defence in the interests of recruiting, this exhibit covered 4,000 square feet.

*Brno International Engineering Fair, Brno, Czechoslovakia*

September 5-20, 1959.....Attendance: 2,400,000

Sponsored by the Department of External Affairs and with the assistance of Trade and Commerce, the exhibit occupied 1,700 square feet in Pavilion Z. This was Canada's first participation in this Fair and the exhibit included scientific, electronic, engineering and construction equipment along with, to a lesser degree, metals, chemicals and household appliances. The bulk of the items exhibited were sold off the stand.

*German Industries Fair, Berlin, Germany*

September 12-27, 1959.....	Attendance: Total	732,500
	East Germany	247,500
	West Germany	485,000

This participation was sponsored by the Departments of External Affairs, and Citizenship and Immigration. The existing Canadian Pavilion was enlarged to include a cinema with a seating capacity of 92. In the exhibit area of the Pavilion, the story of the St. Lawrence Seaway was told by using the model of the Seaway prepared for the Canadian Pavilion at the Brussels World's Fair, with a photographic story of the actual passage of a German ship through the Seaway.

*Eastern States Exposition, Springfield, Mass.*

September 19-27, 1959.....	Attendance:	530,000
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Sponsored by the Department of External Affairs, the general information exhibit used at the Chicago Museum of Science and Industry, as described above, was installed here, along with a cinema in an area of 2,500 square feet.

*American Public Health Association Convention, Atlantic City*

October 19-24, 1959.....	Registered Attendance:	4,626
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Sponsored by and for the account of the Department of National Health and Welfare, a 20' display was produced illustrating Canada's hospital services. The exhibit won a Certificate of Merit from the Association.

*Cabildo Museum, New Orleans, La.*

October 26-December 8, 1959.

Sponsored by the Department of External Affairs, the general information exhibit used at the Eastern States Exposition, as described above, was installed here.

*Central Canada Exhibition, Ottawa, Ontario*

August 21-29, 1959.....	Attendance:	528,129
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Sponsored by and for the account of Atomic Energy of Canada Limited, Chalk River, an existing display was edited, refurbished and installed in 2,000 square feet.

*Atomic Energy of Canada, Limited, Commercial Products Division, Ottawa*

Displays were designed and constructed for—

Canadian Association of Radiologists, Saskatoon.....	January	11-14, 1959
Agricultural Institute of Canada, Wolfville, N.S.....	June	23-30, "
International Congress of Radiology, Munich.....	July	23-30, "
Ontario Medical Association Convention, Toronto.....	October	12-17, "
RSNA Convention, Chicago.....	November	15-20, "

*Canadian Government Travel Bureau*

Window displays on the following subjects were designed and produced for the Bureau's windows in New York and Chicago: Eskimo Art, Old Ottawa, Seaway, Fine Crafts, Stratford Theatre, Religious Shrines, Indian Masks, Old Money, Old Implements, Sitting Bull, Curling, Spring, Summer, Autumn, Winter.

*Department of Mines and Technical Surveys*

- (a) A semi-permanent display grid was installed in Logan Hall and displays on four subjects were designed and mounted. Displays on two more subjects were in production at year's end.
- (b) In connection with the 50th Anniversary of Power Flight in Canada, a 20' display featuring progress in aerial survey was designed and produced for the Surveys and Mapping Branch.

## Appendix "F"

### Tariff Arrangements in Force as at December 31, 1959

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are: Australia, British West Indies, New Zealand, the Federation of Rhodesia and Nyasaland, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with Ceylon and the Federation of Malaya, and accords preferences to Ghana, India and Pakistan. These agreements have been modified and supplemented by GATT. In addition, Canada has a trade agreement with Ireland under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 37 contracting parties to the agreement. The names of these, and the dates of their accession, are given in the table which follows. In addition, 6 countries participate provisionally in the work of GATT. They are Cambodia, Israel, Poland, Switzerland, Tunisia and Yugoslavia. Four rounds of major multilateral tariff negotiations have been held under GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1955-56. The GATT arrangements provide for a firm binding of the negotiated concessions for a further three year period as from January 1, 1958.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with GATT. As an exception, however, the Canada-USA Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT.

Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.

Further particulars regarding tariff agreements and arrangements in force on December 31, 1959 may be summarized as follows:

## 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed July 8, 1931; in force Aug. 3, 1931.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled.
	GATT effective Jan. 1, 1948.	May be terminated on six months' notice.
British West Indies Bahamas, Bermuda, British Guiana, British Honduras, The West Indies Federation.	Canada—British West Indies. Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.  The British West Indies (except Jamaica), Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.	Canada and Ceylon exchange preferential tariff treatment.
	GATT effective July 29, 1948.	
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.	Canada accords British preferential treatment to Ghana, (except on cocoa beans).
	GATT effective Oct. 18, 1957.	Exchange of most-favoured-nation treatment.
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation.	Canada accords British preferential treatment to India.
	GATT effective July 8, 1948.	Exchange of most-favoured-nation treatment.
New Zealand .....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.
	GATT effective July 26, 1948.	



Country	Agreement	Principal Terms
Federation of Malaya ....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.	Canada and Federation of Malaya exchange preferential tariff treatment.
	GATT effective Oct. 24, 1957.	
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation	Canada accords British preferential treatment to Pakistan.
	GATT effective July 30, 1948.	Exchange of most-favoured-nation treatment.
Federation of Rhodesia and Nyasaland .....	Trade Agreement signed Feb. 6, 1958; effective Feb. 7, 1958.	Canada exchanges preferential tariffs with the Federation.
	GATT effective in Southern Rhodesia May 19, 1948; extended to whole Federation, Oct. 29, 1954.	
Union of South Africa ..	Trade Agreement signed Aug. 20, 1932; in force Oct. 13, 1932.	Agreement includes schedules of tariff preferences granted by each country. May be terminated on six months' notice.
	Exchange of notes Aug. 2-31, 1935; effective retroactive from July 1, 1935.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective June 14, 1948.	
United Kingdom .....	Trade Agreement signed Feb. 23, 1937; in force Sept. 1, 1937. Modified by an exchange of letters of Nov. 16, 1938, and an exchange of notes Oct. 30, 1947.	Various concessions by both countries including exchange of preferential tariff rates (some minor reservations by Canada). Extends to British Colonies and Dependencies.
	GATT effective Jan. 1, 1948.	
West Indies Federation (Trinidad, Jamaica, Barbados, Windward and Leeward Islands)	Trade relations continue to be governed by the Canada-British West Indies Trade Agreement. (see above)	

## 2. Arrangements with Non-Commonwealth Countries

Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Belgium-Luxembourg ....	Convention of Commerce with the Belgium - Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union) .....	See Belgium-Luxembourg and Netherlands.	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective July 31, 1948.	
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Cambodia .....	Franco - Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	GATT effective Mar. 16, 1948.	
China .....	Modus vivendi signed Sept. 26, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Colombia .....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	

Country	Agreement	Principal Terms
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment (excluding preferences accorded by Cuba to the United States).
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force provisionally Mar. 15, 1940, and definitively Jan. 22, 1941.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on six months' notice.
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt (Region of United Arab Republic) .....	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948.  GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories ....	Trade Agreement signed May 12, 1933; in force June 10, 1933.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.

Country	Agreement	Principal Terms
France and French overseas territories (Cont'd) .....	Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935.  GATT effective Jan. 1, 1948.	
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947.  GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Guinea .....	As former French territory, participates in GATT; members agree to reciprocal <i>de facto</i> application of agreement for two years.	Since creation of Guinea as independent state in 1959, exchange of most-favoured-nation treatment continued.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1960.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.



Country	Agreement	Principal Terms
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.
Israel .....	Canada - United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
	GATT effective Jan. 1, 1950.	
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
	GATT effective Sept. 10, 1955.	
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council of Mar. 1, 1955.	Canada grants most-favoured-nation tariff rates.
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date, Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
	GATT effective May 28, 1950.	
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
	GATT effective July 10, 1948.	
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.

Country	Agreement	Principal Terms
Portugal, Portuguese adjacent islands and Portuguese overseas provinces .....	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Spain and Spanish possessions .....	<p>Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.</p> <p>Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.</p>	<p>Exchange of most-favoured-nation treatment. May be terminated on six months' notice.</p> <p>Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.</p>
Sweden .....	United Kingdom-Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
	GATT effective May 1, 1950.	
Switzerland .....	United Kingdom-Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.
Syria (Region of United Arab Republic) .....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey .....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.

GATT effective Oct. 17, 1951.

Country	Agreement	Principal Terms
Union of Soviet Socialist Republics ....	Trade Agreement signed Feb. 29, 1956. Ratifications exchanged May 26, 1956.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase determined quantity of Canadian wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement (expired Feb. 28, 1959, but most-favoured-nation tariff treatment continues to be exchanged).
United Arab Republic .....	See Egypt and Syria.	
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT.  GATT effective Jan. 1, 1948.	Most-favoured-nation treatment exchanged.
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953.	Most-favoured-nation treatment. May be terminated on six months' notice.
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950, renewed each year.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state in 1955, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom-Serb-Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.



## Appendix "G"

### Location of Trade Commissioner Service Offices Abroad

Overseas posts are in the following territories, at the centres indicated:

<b>Argentina</b> Buenos Aires	<b>Hong Kong</b>	<b>Singapore</b>
<b>Australia</b> Melbourne Sydney	<b>India</b> Bombay New Delhi	<b>South Africa</b> Cape Town Johannesburg
<b>Austria</b> Vienna	<b>Indonesia</b> Djakarta	<b>Spain</b> Madrid
<b>Belgian Congo</b> Leopoldville	<b>Iran</b> Tehran	<b>Sweden</b> Stockholm
<b>Belgium</b> Brussels	<b>Ireland</b> Dublin	<b>Switzerland</b> Berne
<b>Brazil</b> Rio de Janeiro Sao Paulo	<b>Italy</b> Rome	<b>United Arab Republic (Egyptian Region)</b> Cairo
<b>Ceylon</b> Colombo	<b>Japan</b> Tokyo	<b>United Kingdom</b> Belfast Liverpool London
<b>Chile</b> Santiago	<b>Lebanon</b> Beirut	<b>United States</b> Boston Chicago Detroit Los Angeles New Orleans New York Washington
<b>Colombia</b> Bogota	<b>Mexico</b> Mexico City	<b>Uruguay</b> Montevideo
<b>Cuba</b> Havana	<b>Netherlands</b> The Hague	<b>Venezuela</b> Caracas
<b>Denmark</b> Copenhagen	<b>New Zealand</b> Wellington	<b>West Indies</b> Kingston Port-of-Spain
<b>Dominican Republic</b> Ciudad Trujillo	<b>Norway</b> Oslo	
<b>France</b> Paris	<b>Pakistan</b> Karachi	
<b>Germany</b> Bonn Hamburg	<b>Peru</b> Lima	
<b>Ghana</b> Accra	<b>Philippines</b> Manila	
<b>Greece</b> Athens	<b>Portugal</b> Lisbon	
<b>Guatemala</b> Guatemala City	<b>Rhodesia and Nyasaland</b> Salisbury	

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine "Foreign Trade".)





# ANNUAL REPORT

ARTMENT OF TRADE AND COMMERCE

1960





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Sixty-Ninth  
(ANNUAL) R E P O R T

*Canada.* Department  
of  
Trade and Commerce  
1960

The Hon. George Hees, *Minister*  
James A. Roberts, *Deputy Minister*

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OTTAWA, April 1, 1961.

To His Excellency Major-General Georges P. Vanier, D.S.O.,  
M.C., C.D.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Sixty-ninth Annual Report of the Department of Trade and Commerce covering the calendar year 1960.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

GEORGE HEES,  
*Minister of Trade and Commerce.*





OTTAWA, April 1, 1961.

The Honourable George Hees,  
Minister of Trade and Commerce,  
Ottawa, Canada.

Sir:

I have the honour to submit the Sixty-ninth Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1960.

Your obedient servant,

JAMES A. ROBERTS,  
*Deputy Minister.*



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**Part I**  
**Economic and Trade Review**



# ECONOMIC AND TRADE REVIEW

## WORLD CONDITIONS

Free World production rose to a new high in 1960. However, the extent of the advance varied sharply among major producing areas. In the United States, economic activity levelled off early in 1960 and output for the full year was but moderately above the 1959 level. On the other hand, in most of the industrial countries of Europe and Asia, the tempo of business activity remained strong and total output rose sharply between 1959 and 1960.

Strong expansionary forces in overseas industrial countries were the key factor contributing to further growth in world trade during 1960. Intra-European trade surged forward as did the movement of goods between Europe and most of the under-developed areas of the world. In addition, the outward movement of goods from North America, particularly to overseas industrial countries, rose sharply. However, imports into North America showed no increase, reflecting easier demand conditions prevailing on this continent.

Conditions in under-developed countries were supported by rising demands for materials in the industrial areas of Europe and Asia. Nevertheless, weakening in certain commodity prices adversely affected countries highly dependent upon these particular items. A decline in the price of wool contributed to a worsening in the foreign trade position of the southern Commonwealth countries.

International financial developments during 1960 were characterized by a continuing outflow of currency from the United States and a further build-up in reserves of the European area and Japan. An increase in the trade surplus of the United States was largely offset by an outward movement of funds, mainly to Europe. For most of the Continental European countries, favourable trade balances, supported in some instances by net capital inflows, contributed to the growth in foreign exchange reserves. The United Kingdom experienced some worsening in the balance on current transactions but a substantial inflow of capital funds, mainly from the United States, resulted in a further increase in Sterling Area reserves. Changes in the external financial positions of less-developed countries differed widely, reflecting mainly the uneven pattern of world commodity markets.

## ECONOMIC CONDITIONS IN CANADA

Economic trends within Canada were less uniformly expansive in 1960 than in the preceding year. Higher exports, together with slightly lower imports, provided a key expansive element in the Canadian economy. Internally, additional demand stimulus was provided by the continuing

rise in public and institutional investment and the further moderate growth in consumer purchases. Expansion of business plant and equipment, though proceeding on a large scale, did not place additional demands upon the productive resources of the economy. Meanwhile, less housebuilding activity and a diminishing rate of inventory accumulation throughout the business community (which by the third quarter had shifted to liquidation) were important factors limiting the growth in overall demand within the economy.

Despite the uneven trend of general activity over the course of 1960, annual levels of production, employment and incomes reached new heights, moderately above those of 1959. Canada's Gross National Product recorded a further advance, 3 per cent above the level of the previous year. Although prices, on average, were up slightly, total output of the economy was also higher than ever before. Total personal income increased by about 4 per cent. On a per capita basis, real earnings remained at the unprecedented level achieved in 1959. Employment continued upward, increasing on average by 100,000 persons, or 1.7 per cent, between 1959 and 1960. However, the growth in job opportunities did not fully keep pace with the unusually rapid increase in labour supply and jobless persons comprised 7 per cent of the labour force compared with 6 per cent in 1959.

Total capital outlays in 1960, both private and public, amounted to \$8.2 billion. This level of capital investment, though moderately below the \$8.4 billion spent in 1959, amounted to 23 per cent of the Gross National Product, an unusually strong pace of capital expansion by any standards. Housebuilding comprised a smaller part of the total 1960 programme. Productive resources freed from housebuilding activity were, to some extent, absorbed in the larger volume of institutional and public building projects. Meanwhile, a continuing high level of business capital outlays further added to the productive capacity of Canadian industry. Large-scale expansion programmes were underway in a wide range of industries including primary iron and steel, nickel, pulp and paper, oil refining, rubber products, chemicals, electric power and air transport.

Production increased moderately from 1959 to 1960 in both goods-producing and service industries. In the former group, additional output was achieved with an actual reduction in employment. On the other hand, employment in service activities increased by about 5 per cent.

In the goods-producing sector, the tempo of activity was strongest in those primary and processing industries most directly affected by the expansion in export shipments. Largely as a result of this influence, sizeable production increases were achieved in pulp and paper, lumber, aluminum, nickel, copper, asbestos, oil, natural gas and chemicals. Among other mineral industries, production increased moderately in the case of gold and coal mining. On the other hand, uranium output was lower in line with delivery schedules applicable under existing contractual arrangements and iron ore shipments fell off in the latter part of the year as a result of the low level of steel operations in the United States.



Partly due to sizeable export orders, Canada's steel production in 1960 held close to the record volume of the preceding year, with operating rates in Canadian mills remaining well above those in the United States.

Among equipment producers, the farm implement industry was adversely affected by declining sales in the United States market. Orders for railway equipment were at a relatively low level. In the electrical and industrial equipment groups, domestic producers, as a whole, held their own against imports, and with the support of additional export orders the trend of total shipments was maintained.

Consumer-based industries benefitted from a moderate rise in consumer incomes, but in some instances faced intensified competition from imports. In the case of automobiles, the share of the Canadian market held by European-type cars edged a little further upward in 1960 to about 28 per cent of all cars sold. Despite the continuing popularity of foreign cars, production of motor vehicles in Canada rose by 8 per cent between 1959 and 1960. Higher sales abroad, as well as domestically, contributed to higher output in the automobile industry. In the case of electric appliances, total sales declined in 1960 but Canadian producers acquired a larger share of the smaller market. Activity in clothing trades held about stable even though a larger share of the market for certain types of clothing went to imports. In the textile fabric groups, output of synthetics was maintained, but cottons and woollens were lower, the former having lost further ground to imports. Footwear production also fell off moderately. Most of the food and beverage groups experienced a good year, but activity in the meat-packing industry was affected by the decline in hog marketings.

Despite lower livestock production, total farm cash receipts were maintained at the 1959 level. Good grain crops helped to sustain the farm income position.

While non-residential construction continued in 1960 at the near-record pace of the preceding year, overall activity in construction and related supply industries was down moderately as a result of the decline in housebuilding.

Despite the continuation of divergent trends among different industries, general activity followed a firm course in the latter part of 1960. Nevertheless, conditions of ample supply and keen competition continued to retard the absorption of new productive resources. A special programme of measures to stimulate development and add to employment opportunities was placed before Parliament in December.

## CANADA'S FOREIGN TRADE

Canada's merchandise trade in 1960 was characterized by a further growth in exports, accompanied by a slight decline in imports. This divergence in trend reduced Canada's deficit on merchandise trade to \$97 million, the lowest figure since 1954. Export prices remained about stable during the year, while import prices increased slightly.

## Summary Statistics of Canada's Foreign Trade <sup>(1)</sup>

(Millions of Dollars)

	1959	1960	Percentage Change 1959 to 1960
Value of Trade			
Exports (including re-exports) .....	5,140	5,395	+5.0
Imports .....	5,509	5,492	-0.3
Balance of Trade .....	-369	-97	

<sup>1</sup> Statistical detail on Canada's trade, by commodity and country, is available in *Trade of Canada, Review of Foreign Trade*, and other periodic publications of the Dominion Bureau of Statistics.

An outstanding feature of Canada's export trade in 1960 was the growth in sales to overseas countries. Exports to this area were up about one-fifth, substantial increases having been achieved in sales to the three largest overseas market areas, namely, the United Kingdom, Continental Western Europe and Japan. Most of this rise consisted of increased shipments of forest and mineral products including pulp and paper, lumber, base metals, iron and steel, asbestos and chemicals. In addition, widespread increases were achieved for various types of highly processed and manufactured products. Rising income and consumption levels, together with progressive dismantling of import restrictions throughout the trading world, had opened up new market opportunities for this type of export. Despite the continuing world surplus, Canada's sales of wheat in commercial markets held up well. However, of the major agricultural exports, oilseeds was the only one to show a significant rise in 1960.

Total exports to the United States, on the other hand, fell a little short of the 1959 level. Higher shipments of newsprint, copper, petroleum and chemicals did not fully offset declines in such items as uranium, aluminum, nickel and some other base metals, livestock products and farm implements.

The proportion of Canada's exports going to the United States declined from 61.9 per cent in 1959 to 56.3 per cent in 1960. Over the same period the proportion going to the Commonwealth rose from 20.8 per cent to 23.3 per cent; to all other overseas countries from 17.3 per cent to 20.4 per cent.

Meanwhile, imports into Canada held about stable in aggregate and also changed little in either commodity or geographic composition. In 1960 as in the preceding year, machinery and equipment together with manufactured consumer products made up about one-half of Canada's total imports, followed by forest, mineral and chemical products nearly one-third, farm products a little over 10 per cent and textiles the remainder. The proportion of Canada's imports coming from the United States held steady at 67.2 per cent in both 1959 and 1960, the proportion coming from the Commonwealth increased from 15.0 per cent to 15.8 per cent and that from overseas countries declined from 17.6 per cent to 17.0 per cent.

Higher exports and slightly lower imports reduced Canada's merchandise deficit from \$369 million in 1959 to \$97 million in 1960. This substantial decline in the merchandise imbalance more than offset a continuing rise in the invisible deficit and resulted in a reduction in the overall deficit on current international transactions. This current account deficit was covered in large part by a further inflow of long-term capital. The premium on the Canadian dollar declined during 1960 and at the end of the year was within one per cent of par with the United States dollar. The lower premium, compared with the preceding year, was of help to Canadian producers competing against foreign goods.





**Part II**

**External Trade Developments**



# EXTERNAL TRADE DEVELOPMENTS

## GENERAL

In many respects, 1960 marked the opening of a new era in international trade and commercial relations generally. The post-war transitional period, in which non-dollar countries found it necessary to restrict imports in order to preserve their limited supply of gold and dollars, had come to an end. In fact, there began to emerge a substantial net outflow of gold and dollars from the dollar to the non-dollar world. These developments were reflected in the virtual elimination of the special restrictions which had been maintained against imports from the dollar area. While the less-developed countries, particularly, continued to experience balance of payments difficulties, the discriminatory aspect of these controls had generally been removed. Accordingly, in 1960, for the first time, Canadian exporters were on equal terms with all other suppliers in their access to world markets.

The end of the post-war transitional period also brought into perspective, in even clearer terms, the increasing competitiveness in world markets which had been developing over the past several years. Countries were increasing their efforts to maintain their share in world markets and this is particularly reflected in the new export programme announced by the United States toward the end of 1960.

With respect to the development of regional arrangements, the first step in the dismantling of tariffs on trade within the European Free Trade Association\* and the decision to accelerate the implementation of the European Economic Community\* pointed up more clearly than ever the implications of regionalism for established international trading relationships. The emergence of these new trading patterns was a major factor in efforts to establish a forum for closer consultation in the economic and trade policy field among the countries of Europe and North America. This is reflected in the Convention for the setting up of the Organization for Economic Co-operation and Development, signed in Paris in December.

The GATT Tariff Conference which opened in Geneva on September 1 is of critical importance in the effort to reconcile the European regional arrangements with the established international trading relations among world trading countries generally. This Tariff Conference is a test as to whether these European arrangements will be such as will contribute to, rather than detract from, increased mutually advantageous international trade within the trading community of the Western world.

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\* The European Free Trade Association (the Seven) consists of the United Kingdom, Denmark, Norway, Sweden, Austria, Switzerland and Portugal. The European Economic Community (the Six) consists of Belgium, Luxembourg, the Netherlands, France, Germany and Italy.

## CANADA AND THE COMMONWEALTH

The year was marked by a substantial increase in Canada's trade with Commonwealth countries and by important developments affecting Canadian trade relations with other members of the Commonwealth. Exports to the Commonwealth in 1960 totalled \$1.25 billion—17.5 per cent above 1959, and higher than in any other year since the war. Commonwealth countries took 23.6 per cent of Canada's exports in 1960, compared with 21.1 per cent in the previous year. Imports from Commonwealth countries in 1960 at \$868 million represented an all-time record. Canada obtained 15.8 per cent of its import requirements from Commonwealth countries compared with 15.2 per cent in the preceding year.

There were major gains in Canadian exports to a number of Commonwealth markets. Sales were up by \$130 million, or 16.5 per cent to the United Kingdom; \$45 million or 83 per cent to Australia; \$11 million or 100 per cent to Hong Kong; and \$10.5 million or 79 per cent to New Zealand. Some of the smaller Commonwealth markets where Canadian sales increased substantially included Rhodesia and Nyasaland, Nigeria, Gibraltar, British Oceania and the British East Indies. Only in the case of India, Pakistan and Ceylon were there substantial declines in Canadian exports and these were mainly the result of variations in the scheduling of Colombo Plan shipments. The principal increases in exports to the Commonwealth were generally in the field of raw materials and semi-finished goods for industry, reflecting buoyant economic conditions in these countries. However, there was also a significant diversification in our exports to Commonwealth countries involving substantial increases of sales in such categories as textiles, apparel, jewellery, pens and pencils, refrigerators, canned foods, furniture, power saws, marine engines and office machinery. Increases in sales of these products were largely the result of the major steps taken by Commonwealth countries in the past two years to relax the import restrictions which had been maintained for balance of payments purposes.

By the beginning of 1960, only a few items were still under control in the United Kingdom, the West Indies, Rhodesia and Nyasaland, Malaya, Singapore and most of the United Kingdom colonial territories. On February 1, 1960, the United Kingdom removed its restrictions on tobacco (except cigars), synthetic rubber, transistors, and fresh, chilled or frozen fish, reducing to 18 the number of items still under control from Canada (apart from those controlled for such reasons as health or national safety). An important liberalization measure in Australia, effective February 23, 1960, removed restrictions from all but about 50 items, including the following products of particular interest to Canada: synthetic sausage casings, copper products, iron and steel bars, sheets, etc., cooking and heating appliances, various chemicals, papermakers' felts, and many machinery items and parts. Lumber was removed from control on April 1, 1960. With the freeing of motor vehicles from restriction on October 1, 1960, the last element of dollar



discrimination in the Australian licensing system was eliminated. The products remaining under restriction may be obtained from Canadian exporters on the same basis as from non-dollar suppliers. Ghana abolished all of its remaining restrictions in March 1960, and Rhodesia and Nyasaland placed under open general licence the few items which were still subject to special dollar controls, effective June 30, 1960. In New Zealand, larger quotas established for the licensing year beginning January 1, 1961, covered a considerable number of items of importance to Canada including canned fish, chain saws, agricultural machinery, veneers, woodworking machinery, corrugated iron and nails. However, most of New Zealand's imports still remain subject to licensing. Extensive controls were also maintained during 1960 in South Africa, India and Pakistan, but without discrimination against dollar sources of supply.

Developments during the year, in connection with regional trading arrangements in Europe and in the West Indies, had important implications for Canadian trade. The United Kingdom, as one of the seven member countries of the European Free Trade Association, reduced its industrial tariff by 20 per cent in favour of its partners in this trading group, effective from July 1, 1960. It also halved the duties on a few agricultural imports from European Free Trade Association countries—notably bacon and canned pork luncheon meat—and these duties are scheduled to be eliminated altogether on July 1, 1961. The reduction or removal of these duties has the effect of narrowing or eliminating the preference Canadian goods enjoyed over those of the Continental members of the Seven. Many of the items on which Canada receives preferences are not supplied by Continental EFTA countries, but in certain fields—particularly wood and paper products, a few steel products, a number of chemicals and some synthetic textiles—Canadian producers do sell in competition with members of the Seven. The effects of the initial tariff cuts on Canadian exports to the United Kingdom are, therefore, being watched carefully. Close attention is also being paid to the efforts of the United Kingdom to reach an accommodation with the European Economic Community. Because of the magnitude and range of the exports of the Six, an arrangement of this kind could have important implications for Canadian trade. No margins of preference are actually guaranteed to Canada by the United Kingdom, but Canadian representatives at Commonwealth meetings have emphasized the importance which Canada attaches to its preferential access and to the free entry which is now accorded by the United Kingdom to almost all Canadian goods. Up to now, only preliminary “technical” discussions have taken place between the United Kingdom and some members of the Six on ways of resolving the trade split. Close consultation has been maintained between the United Kingdom and other Commonwealth countries on these developments.

During the year, substantial progress was made in the formulation of plans for a customs union in the ten constituent territories of the West Indian Federation. A working party established by the Economic Committee of the West Indian Inter-Governmental Conference drafted proposals for

a common tariff and customs regulations of the Federation. The constituent territories have now reached broad agreement on these proposals and they will be submitted to the Inter-Governmental Conference—probably in May, 1961—for its approval. Implementation of the customs union proposals will depend also on the outcome of a plebiscite which is to be held in Jamaica some time during 1961 to determine whether that territory will remain in the Federation. The establishment of a customs union in the West Indies will necessitate the re-negotiation of the Canada-West Indies trade agreement of 1926. This agreement prescribes the margins of preference extended to Canadian goods under the separate tariffs maintained by each West Indian territory as well as the preferences accorded to the West Indies by Canada. The Economic Committee of the West Indian Inter-Governmental Conference has examined the existing position with regard to preferential tariff margins and the Canada-West Indies Trade Agreement, and reached agreement on general policy recommendations and interim steps designed to facilitate any decisions on these matters as soon as a provisional Customs Union Plan has been agreed upon.

The Agreement with the West Indies is one of six bilateral trade agreements between Canada and other Commonwealth countries providing for tariff preferences on Canadian goods, and, in most cases, for free entry or low rates of duty on items of particular importance. Canada also benefits to some extent from the trade agreements concluded between the other Commonwealth countries since we are frequently entitled to receive the same tariff treatment as that accorded to our Commonwealth partners. Most of Canada's bilateral trade agreements with Commonwealth countries were negotiated before the war, but those with Rhodesia and Nyasaland and Australia have been revised recently.

The new Canada-Australia Trade Agreement negotiated in 1959 was signed simultaneously in Canberra and Ottawa on February 12, 1960, and came into effect June 30, 1960. The terms of the Agreement are outlined in the Annual Report of the Department for 1959.

Close consultation continued between Commonwealth countries on trade and economic matters during 1960. There were two meetings of the Commonwealth Economic Consultative Council during the year, in April, at the level of senior officials, and in September, at the level of Ministers. The United Kingdom-Canada Continuing Committee met in June. In addition, the consultative arrangements referred to in Article 8 of the new Canada-Australia Trade Agreement were inaugurated.

## CANADA AND THE UNITED STATES

Canada's domestic exports to the United States during 1960 declined 4.8 per cent to \$2,934 million. Preliminary figures put the value of our imports at \$3,693 million, a drop of 0.4 per cent from 1959. The excess of our imports over our exports thus increased during the year.



Our exports, looked at by principal commodity groups, showed a mixed trend. Metals and their products showed the largest percentage decreases, while agricultural products also declined in value. Offsetting increases occurred in non-metallic minerals and their products, chemicals and allied products, textiles and textile products, and in the miscellaneous group.

Despite the decline in trade between the two countries, Canada and the United States remained by far one another's largest customer. Developments in the commercial policy field continued, therefore, to receive the same close attention they have had in the past. The Joint United States-Canadian Committee on Trade and Economic Affairs, which was organized in 1953 and is composed of Cabinet Ministers of the two countries, held its fifth meeting in Washington in February 1960. The Ministers reviewed a wide range of bilateral items including problems in trade in agricultural products, developments in the oil and gas field, and the United States lead and zinc quotas. They also considered economic developments on the international scene which are of significance to the two countries. The year also provided several opportunities for representatives of the two countries at the official level to discuss matters of mutual concern.

One of these subjects was the United States mandatory oil import control system from which Canada remains exempt. The United States restrictions on the import of lead and zinc, which extend to Canada, remained an outstanding issue between the two countries. The United States also retained in force restrictions on the import of several agricultural products including wheat and flour, cheddar cheese, dried milk products and rye.

During 1960, as in previous years, the United States Tariff Commission undertook escape clause investigations on a number of products. The Commission is required by United States law to make such inquiries, whenever requested to do so by interested parties, in order to determine whether tariff concessions made by the United States in trade agreements are causing injury to a United States industry. Investigations of interest to Canadian producers during the year were those on baling twine, typewriters, iron ore, zinc sheet, cast-iron soil-pipe fittings and barbed wire. While none of these investigations resulted in the imposition of higher duties or import quotas, the investigations did tend to inhibit trade in the commodities which were being looked into.

The intention of the United States to participate in multilateral tariff negotiations within the framework of the General Agreement on Tariffs and Trade was formally announced on May 27, 1960. Attached to this announcement was an extensive list of products on which the United States might consider offering concessions for the purpose of obtaining concessions from other countries of benefit to United States export trade. This list was a preliminary one with respect to which all interested persons were invited to submit views to the United States Tariff Commission and the Committee

for Reciprocity Information in the course of public hearings which were held concurrently before these two bodies in Washington during the summer of 1960.

The comprehensive nature of this list was an indication not only of the possible scope for negotiation hoped for by the United States Administration, but also of the importance attached to these negotiations. Originally scheduled to begin in January 1961, the new round of negotiations is not expected to get underway before mid-1961.

In November of 1960, as a result of concern about the United States balance of payments, the President directed several of his Cabinet Secretaries to institute measures which would check the "outflow of gold" and restore any confidence in the United States dollar which had been lost. As a result, the Secretaries of State and Defence initiated several programmes intended to contribute to the President's objective. Canadian concern with these measures and their implications for the Canadian balance of payments and Canadian-United States trade was recorded with the American authorities. The programmes and their effects are continuing subjects of Canadian study.

Also in November 1960, the United States Tariff Commission submitted to Committees of both Houses of Congress the "Tariff Classification Study" it had been directed to make by Congress in the *Customs Simplification Act* of 1954. Specifically, the Act directed the Commission to compile a revision and consolidation of the existing Customs laws which would, as far as possible, accomplish the following three purposes:

- (1) Establish schedules of tariff classifications which will be logical in arrangement and terminology, and adapted to the changes which have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold.
- (2) Eliminate anomalies and illogical results in the classification of articles.

(3) Simplify the determination and application of tariff classifications. The Act also provided that the Commission should seek to accomplish these purposes "without suggesting changes in any rate or rates of duty on individual products whether those rates are applied by Statute or by Presidential Proclamation". The resultant study completed by the Tariff Commission represents a proposal for a thoroughgoing reorganization and rewording of the United States tariff. Although the Commission sought to avoid recommending rate changes wherever possible, changes in the incidence of the tariff in a number of cases are inevitable.

## CANADA AND WESTERN EUROPE

Trade and commercial relations with Western Europe during 1960 continued to be dominated by further steps in the working out of European regional arrangements—the European Economic Community of the Six



and the European Free Trade Association of the Seven. In addition, 1960 was marked by continued high levels of economic activity in Europe, particularly in the Common Market countries, at a time when economic activity in Canada and the United States was slowing down.

With respect to the Six (France, Germany, Italy, Belgium, Netherlands and Luxembourg), a buoyant economic climate made it possible to reach agreement on accelerating the implementation of the Rome Treaty. Under this acceleration decision taken in May, the Common Market countries agreed to make a further 20 per cent cut in the tariffs among themselves by the end of the year (bringing the total internal tariff cuts to 30 per cent), and to make the first adjustments in the alignment of their national tariffs toward the Common Market external tariff on January 1, 1961, rather than the end of 1961, as provided for in the Rome Treaty. A number of sensitive items, including trade in agricultural products, were excluded from this acceleration decision. Further, the Common Market countries announced their readiness to offer 20 per cent reductions in the levels of the proposed Common Market tariff provided reciprocal concessions were made in the tariffs of other countries.

Agreement was reached on most of the outstanding rates of the proposed Common Market tariff which were left to be settled among the member countries by negotiation (rather than through the arithmetical averaging of the national tariffs). Among the main items of interest to Canada in this group were aluminum, synthetic rubber, lead and zinc, wood pulp, newsprint, synthetic resins, codfish and canned salmon. For some of these items, the rates agreed among the Six would involve higher tariff barriers than we had previously faced in our leading markets in the Six—Germany and Benelux.

The working out of the Common Market agricultural arrangements continued to be a major difficulty for the Six. Proposals had been put forward by the Common Market Commission under which the principal instrument of protection would be a system of variable import levies. These plans would be designed to protect a structure of domestic support prices within the Common Market through the imposition of levies intended to offset the difference between prices established within the Community and prices of imports from outside countries. Through this device, outside suppliers, including Canada, could be relegated to a position of residual supplier and there could be excessive stimulation of production within the Community if internal prices were set too high. By the end of the year, the Common Market countries had not been able themselves to reach agreement regarding these proposed agricultural arrangements.

In the light of the possible dangers for the agricultural export interests of outside countries, Canada together with the United States, Australia, New Zealand and Argentina, in mid-year participated in a series of consultations with the individual countries of the Six and the Common Market Commission. Through these consultations, there was an opportunity to impress on them the importance of working out a common agricultural policy which

would ensure for outside agricultural suppliers reasonable access to the European market for wheat and other agricultural products and a fair share in the growth of that market.

Since September 1960, the main instrument for dealing with the Common Market arrangements has been the GATT Tariff Conference which opened in Geneva on September 1. The Conference provides a further opportunity to press for reasonable tariff access for Canadian goods to the Six and satisfactory arrangements regarding trade in agricultural products.

The Stockholm Convention providing for a Free Trade Association among the main European countries not parties to the Rome Treaty (the United Kingdom, Denmark, Norway, Sweden, Austria, Switzerland and Portugal) was ratified by all participants in the first half of the year. Under the Convention, these countries undertake to eliminate tariffs on trade in industrial products among themselves over a transitional period of ten years. Trade in agricultural products is to be generally excluded from this arrangement, although there are special provisions to facilitate trade in agricultural products among member countries. Unlike the Rome Treaty, the EFTA countries will maintain their own separate tariffs against imports from the outside world. The EFTA countries proceeded on schedule with a 20 per cent reduction in tariffs on trade among themselves on July 1. Consideration was given by the Seven to the possibility of accelerating the implementation of their arrangements in line with the acceleration decision of the Six. However, no agreement was reached on this by the end of the year. Consideration was also given to possible terms of association of Finland with the Seven. Draft arrangements were worked out at a meeting of the EFTA Council of Ministers in Lisbon in May but no final decisions were taken. Because of Finland's trade associations with the Soviet Union, Finnish association in the EFTA presented special difficulties.

While the European Free Trade Association involves less elaborate institutions than those of the European Economic Community, it does provide for the setting up of a Council and a small Secretariat. This Council, which may meet either at the Ministerial or official level, established its headquarters in Geneva, Switzerland.

During 1960, the attention of the Common Market countries was largely directed towards the working out of their own Economic Community arrangements. The seven EFTA countries continued to emphasize their ultimate objective of achieving a closer association with the Common Market.

Problems associated with the emergence of two trading groups in Europe were of concern not only to the 13 countries immediately involved, but also to a number of other countries, including the United States and Canada. It was therefore decided, at meetings in Paris in January 1960, to establish a Committee on Trade Problems to consider such problems within Europe, and as between Europe and outside countries. This Committee set up a working group whose studies were designed to minimize the possibilities for trade diversion within Europe by facilitating negotiations between the countries concerned at the GATT Tariff Conference in Geneva. The



Committee has focused immediate attention on the need to resolve short-term difficulties between the Six and the Seven. The United Kingdom has continued to search, through informal contacts with countries of the Six such as Germany, for a long-term association between the two groups. At the end of the year, these informal contacts were still being developed.

The Paris Meetings of January 1960 also led to studies and negotiations between the countries concerned, which culminated in December 1960 in the Convention for the Organization for Economic Co-operation and Development (OECD), whose membership is to consist of 18 European countries, plus Canada and the United States. The OECD will absorb the Committee on Trade Problems and continue its work; the OECD is also designed to conduct confrontations of general trade policies and practices, and to examine specific problems primarily of interest to its members. It is envisaged that OECD trade activities will reinforce the work in this field of existing institutions such as the GATT and the IMF.

Canada's interest has been to ensure that the European arrangements should not be such as to restrict Canadian trade or discriminate against Canadian goods. With respect to the Common Market, a major objective is to obtain reasonable rates in the Common Market Tariff on products of particular interest to Canada. With respect to agriculture, the concern is to obtain reasonable access to the European market for wheat and other Canadian agricultural export items. As far as the Seven is concerned, Canada's major export interests are in sales to the United Kingdom. Canada has been anxious to ensure that in any association between the Six and Seven, Canada's access to the United Kingdom market should be maintained. Canada has not opposed efforts to establish a broader association in Europe encompassing the two groups. Neither has Canada been prepared to support it. The view has been that this is a matter for the European countries themselves to decide. However, Canada has emphasized to the United Kingdom that in these efforts they would no doubt wish to take into account the implications for the Commonwealth trade arrangements and the broader trading relations with the Western countries generally, including the United States.

Facilitated by prosperous conditions, Western Europe throughout 1960 continued to make substantial progress in the relaxation of quantitative restrictions on imports. France and Sweden both moved out of balance of payments difficulties in 1960, thus joining Belgium-Luxembourg, Germany, the Netherlands and Italy in this respect. The temporary restrictive measures which most European countries had applied in the post-war economic crisis have now largely disappeared. Canadian exporters enjoy greatly improved market opportunities in that area.

During the year, several European countries, with Italy and France in the forefront, have removed import restrictions on a wide range of products and greatly reduced discrimination against the dollar area. Germany complied with its undertakings regarding import liberalization and freed a group of commodities in July, six months ahead of schedule. Consultations were

held with Italy regarding her residual import restrictions and arrangements were made for similar consultations with France in 1961. Canada has a substantial trade interest in a number of restricted commodities and continues to press for the abolition of such measures.

Most of the remaining European restrictions are in the agricultural sector and attempts to obtain the dismantling of these controls have presented special difficulties.

## CANADA AND OTHER COUNTRIES

Total Canadian trade with Latin America rose to \$184 million in 1960. Declines in sales to Venezuela, Peru and Cuba were more than made up by increased sales to Mexico, Argentina and Brazil.

During the year, seven countries—Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay—signed the Montevideo Treaty which provides for the gradual development of the Latin American Free Trade Area. Colombia and Ecuador announced their intention to join in this regional grouping. However, the Treaty had not entered into force by the end of 1960 although the legislative assemblies of five countries—Argentina, Chile, Mexico, Paraguay and Peru—had agreed to ratification. In early December, Guatemala, El Salvador, Honduras and Nicaragua signed a Central American Economic Association Treaty designed to establish a common market. Panama has signified its intention to adhere. This Treaty had not been ratified by the end of the year.

In relation to individual countries, in October, the United States imposed an export embargo on all goods to Cuba except foodstuffs and medicinal supplies. It is also noteworthy that all import and export trading by Cuba has been placed in the hands of a government agency. While the status of Canada-Cuba trade remained unchanged, these developments inevitably had important implications for Canadian trade. For the full year of 1960, Canadian exports to Cuba totalled \$13 million, which was a drop from the 1959 figure.

In June, Brazil implemented a new tariff schedule. In November, Argentina was granted provisional accession to the GATT, pending a completion of its tariff revision and negotiation with GATT countries. Late in the year, Venezuela imposed a control on the movement of foreign exchange. This affected outstanding collections immediately and also affected many sales arrangements between Canadian exporters and Venezuelan customers.

Exports to countries in Asia and the Middle East (apart from Commonwealth countries) jumped from a level of \$190 million in 1959, to a record of over \$240 million in 1960. The increase is accounted for mainly by greater sales to Japan, which rose from \$140 million in 1959 to \$178 million in 1960. Exports to all but a few countries of this region showed an increase in 1960. Apart from Japan, the more important outlets for Canadian exports were in the Philippines, Communist China, Israel and Lebanon.



Imports from Asia and Middle East countries were also at a high level in 1960. Imports in the first 10 months of 1960 from these countries were \$177 million approximately, as compared with some \$163 million in the same period of 1959. In this period, imports from Japan (the largest supplier) increased from \$84.5 million to \$91.9 million. In the latter part of the year, discussions were entered into between Canada and Japan concerning Japanese export quotas for 1961 for a number of items shipped to Canada.

The Canada-U.S.S.R. Trade Agreement of 1956, which had expired in 1959, was renewed for a three-year period effective April 18, 1960, and ratified by both governments. The Agreement provides for the exchange of most-favoured-nation tariff treatment. In addition, the U.S.S.R. undertook to buy from Canada twice as much, by value, as Soviet sales to this country. At least one half of the guaranteed Soviet purchases are to be in wheat. This 2:1 ratio applies to purchases by the Soviet Union from Canada of up to \$25 million annually.

Canada's trade arrangements with two other Soviet Bloc countries of Eastern Europe, Poland and Czechoslovakia, also provide for the exchange of most-favoured-nation treatment. Czechoslovakia is a GATT member, and in 1960 arrangements were made bringing Poland into closer association with that body.

## INTERNATIONAL COMMODITY CONFERENCES AND AGREEMENTS

### Cocoa

While no meeting of the FAO Cocoa Study Group took place during 1960, sessions of Working Parties and the Executive Committee were held. Canada was not able to send a delegate or observer to these meetings. Arrangements were made, however, to receive copies of the reports emanating from these meetings so as to obtain information on the world situation with regard to cocoa supplies.

### Coffee

Canada is a member of the International Coffee Study Group which is situated in Washington, D.C. Throughout the year, a member of the Department attended meetings. These meetings also serve as a guide for members of the International Coffee Agreement of which Canada is not a member. The Study Group is attended by representatives of thirty countries in Washington. It provides an international forum for the discussion of coffee problems and compiles statistics on world coffee crops and supplies.

### Cotton

Formed in 1939, the International Cotton Advisory Committee is open to membership to all producing and consuming countries. At present thirty-four countries are members of the Committee.

The principal function of this organization is the dissemination of information on world production and marketing of raw cotton. The Committee also provides a forum for the discussion of all problems of interest to users and producers relating to this commodity. In addition, considerable statistical information is prepared by the Secretariat and distributed to member countries.

The Committee functions through a Standing Committee and various sub-committees which generally meet in Washington on a monthly basis. The Plenary Meeting, however, is brought into session once a year. These meetings are normally held in Washington every second or third year, and in other years, in one of the major exporting or importing member countries.

During the last Plenary Meeting in Mexico City in May, the problems considered were of a less serious nature than on most previous occasions. This was largely due to an increase in consumption as well as lower production in the countries outside of the United States. During the year, the United States Government instituted a single subsidy plan to replace the previous programme whereby producers were accorded a choice of two plans.

The Canadian primary textile industry, as well as this Department, profit considerably from the information made available through this Committee. Furthermore, this source of information on cotton statistics in the member producing and consuming countries is recognized as being the most authoritative available.

## GATT

During 1960, the Director of the Agriculture and Fisheries Branch acted as Chairman at three meetings of the GATT Committee II on Expansion of Trade in Agricultural Products held in Geneva. He also presented the report of Committee II to the 16th Session of GATT.

## Lead and Zinc

The first two sessions of the International Lead and Zinc Study Group took place in Geneva in January and September to undertake a careful review of the world situation on lead and zinc. Delegations from twenty-four countries attended the first meeting and twenty-three, the second. In view of Canada's importance as a world supplier, the Canadian Delegation actively participated in the discussions of the Study Group.

At the first session, the Study Group noted some strength in the zinc market, but expressed concern over the continuing depressed markets for lead, resulting from imbalance in supply and demand and aggravated by rising world stocks, particularly in the United States. Little change was noted in world markets at the second session. Prior to both meetings, Canadian industry announced its intention to restrict its exportable production of lead. This fact was drawn to the attention of the Study Group and, once the statistical position was established, certain other world producers also announced voluntary adjustments in lead.

Canada and other producing countries, at both sessions of the Study Group, expressed concern over the continued existence of protective restrictions in certain consuming countries and the danger that such restrictions may create lasting damage to the lead and zinc industry. Governments were also urged to refrain from any course of action which would create barriers to international trade in lead and zinc, or which would frustrate efforts to restore stability to world markets.

At the January meeting, the Study Group also appointed a group of experts to undertake a thorough study of existing statistics and to make recommendations for developing more comparable statistics which can provide a more rapid and accurate view of current and future developments in the lead and zinc industry. As a result of the work of the expert group, the Study Group has undertaken the publication of a monthly statistical bulletin representing the most complete and accurate report yet to be published on lead and zinc. It is considered that this statistical service will permit a quick assessment of the lead and zinc situation at all times.

## Rubber

The International Rubber Study Group was formed in 1945 with membership open to representatives of countries substantially interested in the production, consumption and trade in rubber. At present, twenty-two countries are members of this Study Group.

The Study Group provides an informal forum where representatives of member countries can meet at appropriate intervals to discuss rubber problems and to keep the world situation under continuous review. The Group undertakes studies of the world's rubber position with regard to the production and use of crude, synthetic and reclaimed rubber. It also considers how best to deal with any special difficulty which may exist or may be expected to arise, and, as a result, it may submit reports and recommendations on the subject to participating governments.

Natural rubber prices remained firm for the first half of the year as a result of continued high demand. Although the year's consumption of natural rubber remained at near-record levels, prices declined during the latter half because of reduced purchases in this period by certain large importing countries. World synthetic rubber production increased to record levels as new countries expanded production capacity. However, increased consumption absorbed available supplies and prices for synthetic rubber remained unchanged during the year.

The fifteenth meeting of the Study Group was held in Malaya in September. At this conference the world supply and demand position was examined, including trading patterns and practices, and discussions were held on the need for possible price stabilization programmes. No action, however, was taken on the problems related to price stability as there is some evidence that over the long term, increased production of new synthetic



rubbers will exercise an important stabilizing influence on natural rubber prices at competitive levels. Studies by the Group will continue and the next meeting has been scheduled for May 1962, in Washington.

## Sugar

The International Sugar Agreement became effective January 1, 1959, and is to run until December 31, 1963. The Agreement provides for a system of quotas for the export of sugar by exporting countries, thereby contributing to the orderly marketing of this commodity. A representative of the Department attends all meetings of the Council and acts as Chairman in turn.

## Tin

During the year, the International Tin Council met four times and reviewed the world supply and demand situation. In view of the progressive stability of the tin market, the total permissible export amount for the six producing countries was set at 36,000 tons for the first quarter, which was increased to 37,500 tons for each of the two following quarterly periods. For the fourth quarter of the year, the Council voted to remove export controls, the first time since export controls were instituted on December 15, 1957.

At the invitation of the Secretary General of the United Nations, a Tin Conference was convened in New York in May to consider recommendations of the International Tin Council for renewal of the International Tin Agreement for a further five-year period commencing July 1, 1961. Canada's principal interest lies in the significance of the Tin Agreement to the economic welfare of the under-developed tin producing countries, particularly those within the Commonwealth. This represents no change in the position with regard to the Tin Agreement which was embodied in the conclusions to the Commonwealth Trade and Economic Conference in 1958.

Canada and a sufficient number of other countries have now signed the new Agreement, which, subject to final ratification, will enter into force in July.

## ASSISTANCE FOR FINANCING EXPORTS

An announcement by the Minister in the House of Commons on November 25, 1960, signalled major innovations in the field of export finance, providing exporters with facilities that are equal to those in any country. The announcement dealt with the initiative taken by the chartered banks to set up the Export Finance Corporation of Canada, Ltd. to finance medium-term export credits, and the new facilities created by Government to finance longer-term export credits.

The changes do not affect the exporter of consumer goods, selling on short credit terms, who generally encounters no difficulty in arranging his financing. The financing for such exports is readily available from the



chartered banks. With the backing of an Export Credits Insurance Policy, an exporter can often arrange for an increase in his line of credit, or for accommodation on more favourable terms, since he can assign to his bankers the proceeds of any loss payable under his insurance policy.

Capital goods are frequently sold on medium-term credits ranging up to 5 years. In the past, Canadian chartered banks had generally found it possible to finance these medium-term suppliers' credits, particularly if backed by an Export Credits Insurance Policy. Occasionally, exporters did encounter some difficulty arranging their financing for large orders, or during periods of general stringency for bank credit. The initiative taken jointly by the chartered banks to create the Export Finance Corporation of Canada, Ltd., by mustering capital explicitly for financing medium-term exports of capital goods up to an immediate possible total of \$100 million, and ultimately to a total of \$500 million as requirements increase, ensures the continuous availability of ample financial assistance in this area of medium-term export credits.

The creation of the Export Finance Corporation of Canada, Ltd. improves the availability of financing, but does not change the procedures to be followed by the exporter. His dealings will continue to be directly with his bank. The individual bank will handle the financing arrangements and may then turn over the financed export paper to the Finance Corporation. Similarly, the financing will be available only if the export transaction is backed by an Export Credits Insurance Policy.

Complementing this initiative on the part of the chartered banks to improve the availability of financing for exports on medium-term credits, the Government has provided direct financing facilities to cover transactions requiring longer-term credit over 5 years. The legislative authority for this longer-term government financing is Section 21A of the Export Credits Insurance Act. This Section was enacted in 1959 to provide direct guarantees to lenders as a stimulus to financing of medium-term credits. Now, the guarantee facilities are being used for longer-term credits and, by implementing the permissive facility in Section 21A for the Export Credits Insurance Corporation to buy guaranteed instruments, direct financing is also provided.

The long-term financing arrangements are not intended to encourage the Canadian exporter to outbid foreign competitors in the liberal extension of credit terms, but simply to allow him to be competitive. Financing will only be made available beyond 5 years in cases where the credit requirements of the foreign buyer and the credit competition clearly establish the need for extended credit.

The facilities are also reserved for the support of export transactions of capital goods that are efficiently produced, or unique in design or quality and are thereby competitive in world markets. There must be reasonably well established prospects for continuing and increasing export sales of similar goods to be realized as a result of the assistance in financing. Only goods or equipment of a high Canadian content, 80 per cent or better, are eligible for financing because of the intent to give the maximum support to Canadian industry and employment, as well as to exports.

Exporters requiring assistance from the government financing facilities will deal with the Export Credits Insurance Corporation, which agency has set up a special division to handle export financing. In most cases, the financing arrangements will be used for trade promotion credits, or credit transactions arising due to the sales initiative of the exporter. Most of the arrangements with the foreign buyer will be undertaken by the exporter, acting under instructions from the Finance Division of the Export Credits Insurance Corporation as authorized in each case by Order in Council. Similarly, the exporter will deal with his own bank in connection with banking aspects of transactions. The entire credit is financed, so that for the exporter each assisted operation will be a cash sale.

It is anticipated that the new financing assistance provided through the Export Finance Corporation of Canada, Ltd., and through Section 21A of the Export Credits Insurance Act, will allow Canadian exporters to compete on an equal basis in world markets with foreign suppliers.

### Part III

## Domestic Commerce Developments





## DOMESTIC COMMERCE DEVELOPMENTS

In mid-1960, the Department undertook to provide new and expanded services to industries interested in domestic commerce. The existing three branches of the Department primarily concerned with this sector of the economy, the Standards, Small Business and Industrial Development Branches, were brought together to form a Domestic Commerce Service. During the latter part of the year, two new units were added to the Service, the National Design Branch and the Depreciation Certification Division.

The basic purpose for the establishment of the Domestic Commerce Service is to provide more adequate services to those industries carrying on domestic trade; to bring about closer liaison with provincial government departments concerned with trade and industry; to assist in industrial development; to devise means of bringing about fuller utilization of existing industrial capacity in Canada and to formulate and enforce uniform standards with a view to assisting in the orderly marketing of goods in Canada.

A number of the functions of the Domestic Commerce Service are in the process of development, particularly those relating to the new branches. Other of the services are of longer standing but are also undergoing considerable changes. During the course of the year, the various branches of the Service were called upon to work with business firms of all sizes, representing many sectors of the economy. As part of this programme, the Small Business Branch specialized in servicing small business enterprises. Two years of intensive study by this Branch of the financial needs of small businesses resulted in legislation being enacted in 1960 providing for guaranteed loans for small business concerns.

In addition to the legislation providing for guaranteed small loans, the Service played a prominent role in the preparation of other legislation, including that for the establishment of a National Productivity Council.

In December 1960, the National Industrial Design Council was transferred from the National Gallery of Canada to the Minister of Trade and Commerce. Concurrent with this move, a new branch, the National Design Branch, was established in the Department to work closely with the Council and with Canadian industry in the development of good design in Canada.

In the Budget of December 1960, the Minister of Finance announced the creation of a plan to extend Special Capital Cost Allowances to assets used to manufacture products not previously made in Canada or in a Manpower Surplus Area. The new plan is being administered in the Department by the Depreciation Certification Division.



## Part IV

### Work of the Department





## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, but did not function until December 5, 1892, when an Order in Council to this effect was passed.

It came into being at that time because, as Sir John A. Macdonald put it, "the Government has come to the conclusion that with the rapidly and largely increasing trade of Canada . . . it is necessary . . . that there should be a Minister whose time and energy should be applied to trade matters." Businessmen needed assistance in developing trade; the special kind of assistance which could only be supplied effectively by a government department.

Trade and Commerce supplies a wide range of services to Canadian businessmen. Its functions can be classified under five headings.

- (1) *Trade promotion.* The Department is exclusively charged with developing and maintaining Canada's foreign trade.
- (2) *Trade control.* The Department is responsible for the control of imports and exports under statutory authority.
- (3) *Administrative duties* which arise out of, or are allied to, its activities in trade promotion and trade control.
- (4) *Domestic duties*, in the fields of weights and measures, census and statistics, industrial development, industrial design and others that encourage or facilitate domestic trade and industry.
- (5) *Delegated duties.* These are responsibilities of the Minister which have been delegated to crown companies, commissions, boards and agencies, because the duties are so specialized they are best discharged by autonomous entities. (The names of these organizations are set out in Appendix "B").

The Minister of Trade and Commerce is accountable to Parliament for a wide variety of legislation, a list of which appears in Appendix "A".

During 1960, the Department sponsored legislation in the House of Commons re

*Prairie Grain Provisional Payments Act*

*National Energy Board Act (Amended)*

*Export and Import Permits Act (Amended)*

*Fisheries Laws of Newfoundland (Repealed)*

*National Productivity Council Act*

## EXPORT TRADE PROMOTION CONFERENCE

The highlight of the year, both for departmental officials in Ottawa and Trade Commissioners in the field, was the Export Trade Promotion Conference which was held in Ottawa from November 30 to December 16. The Conference was called to permit the Minister to meet all the Trade Commissioners, to provide an opportunity for an examination and reassessment of the export trade promotion techniques used by the Department, and to assist Canadian firms interested in export by providing them with an opportunity to obtain first-hand information from the Trade Commissioners on all the markets in which they might be interested. From all aspects, the Conference was a success.

In the four days, from November 30 to December 3, the Trade Commissioners met in private session with officers of the Department in the auditorium at the Dominion Bureau of Statistics. Every phase of trade promotional work was discussed thoroughly and many new developments of administration and method arose from the discussion. 110 Trade Commissioners from the 63 offices maintained by the Trade Commissioner Service in 47 countries attended these sessions. It was an historic event inasmuch as this was the first time in the history of the Department that all of the Trade Commissioners had been assembled together in conference at one time.

The response from the business community established beyond doubt the interest in export trade which had been awakened by the Conference. In the period from December 5 to December 16, the Trade Commissioners met 1,365 Canadian businessmen, representing 1,133 Canadian firms, for a total of 10,502 interviews. No. 1 Temporary Building, for many years the home of the Department, was fortunately available for these individual discussions. On the average, each Canadian firm met with more than 9 Trade Commissioners and each Trade Commissioner met with over 105 Canadian businessmen. Some officers met as many as 170 Canadian businessmen and had upwards of 20 interviews a day.

In addition to discussions with the Trade Commissioners, the visiting businessmen met with Ottawa-based officers for a total of 524 interviews. Indicative of the interest in export trade generated by the Conference is the fact that one out of every five of the firms attending the Conference had not previously exported.

## TRADE MISSIONS ABROAD

During the year, the Department gave new impetus to the use of the trade mission as an implement of export trade promotion. In all, four missions were sent abroad and the results in each case were eminently satisfactory.

The most important was the Canadian Mission to the European Economic Community. Under the leadership of the Deputy Minister, 13 senior business executives visited the countries of the European Economic Community during the period October 8 to 28, to explore the potentialities of

the market for pulp and paper, metals and minerals, and chemicals. It was the objective of the Mission to study, at first hand, the developments arising from the fact that the Common Market has become the world's largest single trading unit and the largest importer of raw materials. It was the purpose of the Mission also to demonstrate to senior business executives and to Government officials in those countries that Canada has a continuing interest in that most important market, and to emphasize that closer commercial ties and extension of trade between Canada and the Community are of mutual advantage.

The Canadian Food Mission to the United Kingdom, September 10 to 26, was the first of a new series of specific commodity missions sent to specific markets for the special purpose of developing business in selected groups of commodities. This was a fact-finding mission composed of representatives of Canada's food processing industries anxious to explore opportunities for increasing exports of Canadian processed and fresh frozen foods. The Mission ascertained that there are substantial possibilities of business in this highly competitive market. The various centres of the Canadian food industry have been informed fully of the opportunities for trade; export committees are studying ways of taking full advantage of these opportunities.

The Timber Trade Mission to the United Kingdom and Ireland, October 15 to 29, followed about a month later. The members were 12 executives of leading lumber export firms from coast to coast nominated by their trade associations. The Mission achieved its purpose of studying market conditions and construction techniques and of having detailed though informal discussions with architects and officials who guide housing projects. It found that these groups are keenly interested in obtaining more technical information on the properties of Canadian lumber. The Mission gained many useful suggestions which are being implemented. Additional business of substantial proportions has since been obtained.

The Mission of Consulting Engineers to South America, September 17 to October 5, was somewhat different in character in that the engineers who made up the mission were attending an engineering association convention in Buenos Aires. This meeting, the 6th Convention of the Union Panamericana de Asociaciones de Ingenieros (UPADI), provided a focal point for the Mission which, after a four-day stay in Argentina, went on to Chile, Peru and Colombia. The Mission had as its main objectives to acquaint Canadian consulting engineers with engineering opportunities in the Latin American countries visited and to draw attention in those countries to the availability of Canadian engineering. It achieved its objectives by discussions with government officials, heads of private and state corporations and development banks, and with engineers and businessmen. Mission members also made contacts with Latin American engineers and others who will work with them in engineering assignments in the various countries.

The four trade missions were organized and sponsored by the Department and in each case a senior departmental representative accompanied the



mission in the capacity of secretary. Trade Commissioners in the countries visited arranged the programme of visits with businessmen and local government officials. Expenses incurred were shared by the Department and the businessmen comprising each mission.

## TRADE FAIRS

Participation in foreign trade fairs offers an effective and economical means of bringing Canadian products to the attention of concentrated audiences of interested buyers in markets abroad. During 1960, the Department continued to encourage and assist Canadian firms to exhibit their products in foreign trade fairs by organizing joint Canadian participation in distinctively Canadian exhibits. As detailed in Appendix "G", participation was sponsored by the Department in 13 trade fairs in other countries during the past year.

Selection of the fairs in the Department's programme is made on the basis of market potential, bearing in mind the competitive position of Canadian commodities and the extent to which import controls may be applicable. Once established, the annual trade fair programme is made known to industry through the trade press, by personal contacts of officers of the Commodities Branches and by close liaison between the Department and trade associations.

An increasing awareness of the value of promotion through trade fair participation has been demonstrated by Canadian firms seeking to expand sales abroad. It is recognized that effective trade promotion requires either direct representation or the establishment of agency representation in markets abroad. For those firms without representation, participation in trade fairs affords the opportunity at minimum cost, to make contacts with prospective agents and, at the same time, to display and demonstrate their products. Firms already represented can support the sales development work of their agents and strengthen the market coverage of lines already established. In either case, additional value can be gained by using the opportunity to make a first-hand analysis of market requirements and to keep abreast of competitors' activities.

The cost of participation in some trade fairs included in the Department's programme is borne entirely by the Department. In others, the exhibiting firms share a small part of the total cost of exhibiting. In either case, the cost to the exhibitor is much less than private participation.

The cost-sharing principle, first adopted in 1959, was applied to the majority of fairs included in the 1960 programme. Under this plan, exhibitors displaying their products in the government-sponsored stands contribute toward the cost of participation on a flat fee basis and, in some instances, by absorbing a portion of the cost of shipping their exhibit. Cost-sharing is now applied to most vertical or one-industry exhibitions with exceptions sometimes being made in the case of exhibitors showing for the first time.



The trend in international trade fairs has, in recent years, been toward an increasing number of vertical shows with a corresponding decrease in the horizontal or general commodities exhibitions. During 1960, 9 of the 13 exhibitions in which participation was sponsored by the Department were of the vertical or one-industry type.

## ADMINISTRATION BRANCH

The provision of administrative services to all operating units of the Department is the responsibility of the Comptroller-Secretary. His Branch comprises four Divisions—Personnel, Office Services, Library, and Financial Services. Additionally, the Comptroller-Secretary is the co-ordinator of returns to Parliament required of this Department and associated Crown Agencies, and maintains liaison with the Privy Council, Treasury Board, Civil Service Commission, Department of Public Works, Clerk of the House of Commons, and the Clerk of the Senate.

During this year, three important appointments were made at the most senior level. On March 3, 1960, Mr. James A. Roberts was appointed Deputy Minister.

On July 25, 1960, Mr. Denis Harvey was promoted to the position of Assistant Deputy Minister (Commodities and Industries). On August 15, 1960, Mr. B. G. Barrow, formerly Chief of Research, Tariff Board, was promoted to the position of Assistant Deputy Minister (Domestic Commerce).

By P.C. 1960-1476 of October 28, 1960, the functions of the Economic and Technical Assistance Branch of this Department (Colombo Plan) were transferred to the Department of External Affairs, effective the first day of November, 1960.

### Personnel Division

This division provides advice on personnel policy and human relations problems; acts as a control arm in ensuring compliance with established policy; provides personnel services to the Branches and to individual employees through interpretation of policy, legislation and regulations; assists employees with personal problems and maintains liaison with the central personnel agencies.

Under the Division Chief, responsibility is divided functionally in respect of organization and establishment, pay, leave and attendance, hospital medical service plans, superannuation, training and welfare, and by organizational grouping in respect of personal services and development. The Supervisor of the Central Transcription Service and the Chief Librarian report to the Chief of the Personnel Division.

Appendix "C" tabulates the distribution of departmental staff.

## Library

The library provides members of the Department with current printed or source material on subjects related to their various fields of interest. The broad field of economics, national and international, involves a wide range of subjects and many reference questions are answered, indexes are prepared and publications are selected and acquired by the library. The librarian is responsible for the distribution of magazines, periodicals, and a clipping service.

## Office Services Division

The division consists of three major segments. *Duplicating and Printing Section* provides an essential service in the printing of press releases, special memoranda, leaflets, etc., and in the production of additional copies of original documents by the photo copy process. *Supply and Accommodation Section* is responsible for procuring, storing and issuing the printing, stationery, equipment and furniture required. Office accommodation and maintenance, communication services such as telephone and intercom systems and buzzer installations, are other services arranged by this section. *Records Section* provides records, mail and messenger service to Branches at Ottawa, through the main units in the Trade and Commerce Building or the branch registries attached to the Standards and Exhibition Branches. It is responsible for the custody and maintenance of the departmental files. A considerable volume of out-dated records was discarded or transferred to the Public Archives Record Centre.

## Financial Section

The Financial Section has administrative responsibility for preparing requests for funds and for controlling expenditures.

Estimates were drawn up for each Branch, analysed for soundness, and presented to the Deputy Minister and the Minister for consideration prior to submission to Treasury Board and Parliament. Expenditures were controlled throughout the year by analysis of the necessity and reasonableness of each undertaking prior to commitment, and again afterwards when accounts were submitted.

Continuous liaison was maintained with the Department of Finance in order to ensure that departmental practices were in accordance with government policy.

Appendix "F" contains a summary of the Department's expenditure and revenue for the year ending March 31, 1960, and comparative statements of expenditure, and statements of revenue, for the fiscal years 1957-58, to 1959-60.

## AGRICULTURE AND FISHERIES BRANCH

The primary role of the Agriculture and Fisheries Branch is to promote the sale of agricultural and fisheries products to overseas markets. To do this effectively, a close liaison is maintained with the trade, producers and processors, with provincial marketing boards and industry associations, and with other government departments, both federal and provincial, through the three commodity divisions of the Branch, viz., the Fisheries Division, the Food and Agriculture Division and the Grain Division. Each division deals with the commodities suggested by its title and is staffed by specialists in that particular field.

The commodity officers of the Branch, through reports received from Trade Commissioners in the field and information obtained on overseas trips, assist growers, processors and exporters by keeping them informed on new market opportunities, changes in foreign regulations concerning sanitation and health requirements, and production and market conditions in other countries. Conversely, the commodity officers prepare monthly and spot reports to keep Canadian Trade Commissioners in the field informed on domestic production, stocks and prices.

Officers of the Branch attend meetings of industry organizations across Canada to give advice on exporting and to discuss any matters of interest to the trade in their particular field. They also attend international meetings organized by the FAO, the United Nations and other organizations.

Throughout the year, the Acting Director and officers of the Branch have worked closely with export committees of the Canadian food processing industries to formulate new ideas for the promotion of Canadian processed foods and to stimulate greater interest in export trade.

### Grain Division

While the Canadian Wheat Board was transferred to the jurisdiction of the Minister of Agriculture during the latter part of the year, the Department of Trade and Commerce remains responsible for export promotion and liaison between the Board and the Trade Commissioners abroad. It also retains responsibility for international negotiations, consultations and agreements such as the Wheat Utilization Committee, the Canada-United States Quarterly Meetings on Grain, and the International Wheat Agreement.

The Grain Division co-operates fully with the Department of Agriculture, the Canadian Wheat Board and the Board of Grain Commissioners for Canada in the export marketing of Canadian bread grains and flour and maintains a close liaison with the trade. It is also concerned with domestic marketing policies and problems.

During the year, the Division was represented at the International Wheat Council meetings, the Quarterly Grain Meetings between Canada and the United States, the Wheat Utilization Committee meetings and several international meetings organized by the FAO, the United Nations and other organizations.



## Fisheries Division

The Fisheries Division is active in promoting exports of all fisheries products and in keeping the trade well informed on all aspects of foreign trade in those products.

The Division works in close co-operation with the Department of Fisheries and the International Trade Relations Branch in matters pertaining to the OEEC Committee on Fisheries. The Chief of this Division also serves on the Canadian Government Specifications Board on matters relating to fisheries products.

During 1960, as Secretary to the Indepartmental Fisheries Trade Committee, the Chief of this Division toured fourteen countries in Europe in order to gain first-hand information respecting the production of and market for fisheries products in that area. During the course of this tour, he noted that a whole new field for exports of frozen fillets is opening up as a result of the removal of import restrictions and the rapid advances being made in the "cold chain" in Europe.

## Food and Agriculture Division

Owing to the wide range of products covered, this Division is divided into two sections, the Livestock and Animal Products section and the Plant Products section. The Livestock and Animal Products section is responsible for all livestock and animal products with the exception of hides and leather skins and manufactures. It is active in the promotion of exports of meat and meat products, dairy products, livestock, poultry products, honey and furs. The Plant Products section is responsible for all plant products, both raw and processed, with the exception of cereal grains. It is concerned with the export of fruits, vegetables, grocery and confectionery products, oilseeds, feeds, seeds, field crops, oils and fats, tobacco and all types of beverages.

Officers of the Division have established close personal contact with the trade and trade associations and maintain a close liaison with other federal and provincial government department to ensure full co-operation on matters effecting export trade in the products handled by the Division. As in previous years, the Division supplied a Chairman and Secretary for the Canadian Fur Council.

During the year, negotiations were instituted by the Plant Products section for the export of rapeseed which resulted in a substantial volume of new export business for this oilseed.

## CANADIAN GOVERNMENT EXHIBITION COMMISSION

The Canadian Government Exhibition Commission is responsible for the planning, organization and administration of all Canadian exhibits in fairs and exhibitions abroad in which the Canadian Government decides to participate. In addition, the Commission endeavours to advise private exhibitors and their agents on the best means of displaying their Canadian



products in overseas fairs. The Commission is also responsible for any international fairs and exhibitions held in Canada which are financed and sponsored by the Government.

Plans are in hand to move the Commission's offices and workshops from their present location at 479 Bank Street to premises on Kaladar Avenue in the near future.

During the year, two Senior Project Officers were taken on strength, implementing the recommendations contained in the report of the Organization and Methods Service of the Civil Service Commission which was completed January, 1959. The position of Assistant Director remains to be filled.

158 projects were handled by the Commission in 1960, 8 of which were in various stages of production at the end of the year. 81 of the projects could be classified as display units. The remainder represents a wide variety of miscellaneous services in the display field.

While the major share of the Commission's activities were devoted to the implementation of the trade fair programme described elsewhere in the report of the Department, its services were used also by the following departments and agencies: Agriculture; Atomic Energy of Canada Limited, Chalk River; Atomic Energy of Canada Limited, Commercial Products Division, Ottawa; Canadian Broadcasting Corporation; Canadian Government Travel Bureau; Central Mortgage & Housing Corporation; Citizenship & Immigration; External Affairs; Labour; National Defence; National Harbours Board; National Health & Welfare; National Gallery of Canada; National Research Council; Northern Affairs & National Resources; Post Office; Transport; and Veterans Affairs.

The Commission's staff accompanied exhibits to Czechoslovakia, France, Germany, Italy, Poland, South Africa, The Netherlands, United Kingdom, United States, and Yugoslavia.

The most important project carried out in 1960 was participation in the Daily Mail Ideal Home Exhibition, London, England, which is one of the oldest and most important exhibitions of its kind in the United Kingdom. With an attendance of well over a million and with over-the-counter sales and sampling permitted, this exhibition offered a splendid opportunity, following relaxation of import restrictions in the United Kingdom, for Canada's re-entry into the British market, after an absence of twenty years, through this medium of trade promotion.

The products of some 115 Canadian firms, comprising a wide range of foods and household goods, were displayed in 2414 square feet in the Food Section and in 5044 square feet in the Consumer Goods Section at Olympia. Ideally 17 firms were accommodated in the Food Section and 21 firms in the Consumer Goods Section in individual manned booths, while 77 firms were located in a composite display.

This was the first time in almost thirty years that Canada has officially participated in an exhibition of this type. The results were satisfactory and plans for a large participation in 1961 are well advanced.

It is of particular interest, as far as the Commission is concerned, to note the steady growth of direct personal contact with exhibitors, particularly in connection with those events where firms are allocated individual stands or are required to man their exhibits. On occasion, it has been found worthwhile for Commission officers to visit exhibitors, individually or in groups, and on the other hand, an increasing number of exhibitors have found it possible to visit the Commission. This has proved very helpful to the Commission and, it is hoped, to exhibitors, by permitting better understanding of the exhibitor's products, problems and aims by the Commission and of the Commission's services and of problems relating to exhibiting in international trade fairs by exhibitors.

Following Cabinet approval towards the end of the year, plans were begun for participation in an International and Universal Exhibition, Category 2, known as CENTURY 21, scheduled to be held in Seattle, April 21 to October 21, 1962. The theme of this exhibition is "Man and Science in the Space Age". Canada will occupy approximately 11,900 square feet and will base her presentation on "Canadian Science and Industry in the service of mankind".

At the meeting of the International Bureau of Exhibitions, Paris, France, on May 8th, Canada presented a plan for staging a Universal and International Exhibition, Category 1, in Montreal in 1967 in honour of Canada's first Centenary. Similarly, the Union of Soviet Socialist Republics presented a plan for an exhibition in Moscow in 1967. On the fifth ballot, the Bureau favoured the Soviet presentation by one vote. Some preliminary planning is now being done in the event that Canada accepts a Soviet invitation to participate in the Universal and International Exhibition, Category 1, Moscow 1967.

The Commission maintains a small branch office and a warehouse in London, England, and these facilities are proving very valuable, particularly now in view of the increased participation in fairs and exhibitions in the United Kingdom. The bulk of exhibition material prepared for various shows in Europe and in the United Kingdom are stored in the warehouse. This permits the production of numerous small exhibits to meet a constant demand from various sources in the United Kingdom and, to a lesser degree, in Europe, for ad hoc displays.

## COMMODITIES BRANCH

Although the Commodities Branch has important administrative responsibilities, its principal function is implementation of the active trade promotion programmes of the Department. In this capacity, its role is to maintain liaison with industry and the business community in Canada and to provide information of trading opportunities brought to light by the Department's activities at home and abroad. The Branch is continually seeking to extend its knowledge of supply conditions in Canada, to widen its industrial



contacts, and to search for products and services which may be promoted in markets abroad. As a result, the Branch is normally industry's first point of contact with Government.

Under its administrative responsibilities, the Branch is particularly concerned with the administration of the Export and Import Permits Act. Although primarily active in the export control field, it gives continuing attention to Canada's part in international arrangements for the control of strategic materials. It also acts as a source of commercial intelligence as it provides a service in gathering, collating and distributing information that is essential to the operation of other branches of the Department, and conducts industry studies.

During the year, an important change was made in branch organization when the Appliances and Commercial Machinery Division and the Textiles and Consumer Goods Division were formed. This reorganization permitted closer concentration on the increasing problems and demands for services in these fields. As a result, the Branch is now composed of seven divisions. Six are commodity divisions staffed with specialists which specialize in the fields of chemicals, engineering and equipment, forest products and metals and minerals, in addition to the commodities covered by the two new divisions. The seventh, the Transportation and Trade Services Division, is primarily concerned with the field of transportation and communications.

Details of the Branch activities are outlined below in the sections dealing with the work of the separate divisions.

### Appliances and Commercial Machinery Division

The liberalization of import controls in the United Kingdom provided new opportunities and new challenges for Canadian firms, and concentrated effort was made to encourage and assist manufacturers of heating equipment and appliances to enter this market. As a result of the success and interest generated to date, these industries are now determined to build this potential into a firm and lasting market. This success and enthusiasm has also encouraged a large number of other manufacturers to explore the potential of this and other export markets.

During the year, projects were initiated with some success to persuade United States subsidiaries in Canada to supply parent organizations and to encourage firms to design and manufacture for the export market rather than to keep pace with incessant model changes in the domestic market. Already encouraging results have been noted in export sales of a utility line of domestic refrigerators and home freezers. Considerable work is being undertaken to assist exporters to reduce manufacturing costs, and in co-operation with the Transportation and Trade Services Division, to search for ways and means to develop cheaper transportation. Progress has also been made in persuading businessmen to co-operate and assist in the development of export trade.

## Chemicals Division

A contributing factor to the existing high rate of production in the Canadian chemical industry has been the demands of foreign markets and exports for the year were the highest on record. Increased product diversification continued to take place during the year and new products became available for export markets. To win recognition abroad for Canada as a new source of supply for chemicals is of prime concern to the Chemicals Division. Although severely handicapped by a shortage of staff, it has actively assisted in promoting the export of many sectors of the chemicals and allied products industry, including fertilizers, synthetic rubber, synthetic resins, petroleum and products, and other miscellaneous organic and inorganic chemicals such as pharmaceuticals, paints, pesticides, adhesives, cleaning compounds, etc.

The activities of the Division have also included the preparation of material for the publication *Canadian Chemicals for Export* for distribution to Canadian exporters, Canadian Trade Commissioners in the field, and to foreign buyers in order to promote the export sales of Canadian chemicals.

## Engineering and Equipment Division

The Engineering and Equipment Division is devoted to promoting the export activities of firms engaged in consulting engineering, in construction, and in the supply of plant equipment, machinery, agricultural and transportation equipment of all kinds. Two outstanding activities of the Division related to group visits by consulting engineering firms to the International Bank in Washington and to the United Nations Special Fund in New York, and the visit of Canadian consulting engineers to South America. Both ventures were planned and accompanied by an officer of the Division.

Exports of Canadian equipment and machinery continued to increase in 1960. Some of the most notable successes consisted of equipment incorporating highly advanced design such as telecommunications equipment, cargo aircraft, air navigation equipment and various types of automation equipment. Trade promotional activities also included nuclear equipment, while special emphasis was placed on developing the United States market for various types of equipment. A significant development was also the formation of several consortia by leading Canadian construction firms, some in association with established foreign firms, to tender on large projects abroad.

Steady progress has been made in securing contracts in the pulp and paper and hydro-electric fields. Aerial survey firms have continued to compete successfully for contracts, particularly in South America. Assistance has also been given to manufacturers indicating interest in Defence Production Sharing possibilities. Finally, many market surveys have been undertaken, including a first-hand study by a commodity officer of market prospects in South Africa for equipment in the transportation, construction and agricultural machinery fields.



## Forest Products Division

The forest products industries enjoyed an exceptionally good year in export markets, surpassing the high levels achieved in 1959. The availability of supplies enabled the Division to broaden and strengthen its contact with industry by a more intensified programme of searching out new firms and new products for export and to embark on a vigorous drive for markets abroad. At the end of the year, Canadian forest products were being sold in some seventy-five countries.

Some of the more interesting achievements during the year were the introduction of specialty printing papers in Australia, South Africa and Mexico, culminating the efforts of the Division, the Trade Commissioners in those countries and industry over the past few years. Similarly, fir plywood was introduced into Western Germany following an intensive survey of market prospects. Gratifying results were also noted in increased timber sales to the United Kingdom and the marginal markets on the European continent and in the development of new outlets for newsprint and wood pulp.

The Division was called upon to supply a timber specialist for the Department's trade office in Glasgow. This decision was the result of the intensified promotion programme being conducted in the United Kingdom through the timber specialist in London. The Division is presently preparing the basis for extensive industry surveys in the United States in an effort to expand Canadian exports. Appreciable success is being achieved as the result of continued emphasis upon the development of outlets in that country for wooden components.

## Metals and Minerals Division

Substantial gains made in recent years have now enabled metals and minerals to become Canada's second largest commodity export group. However, success in its trade promotional programmes has not been achieved without numerous problems such as increased competition from the U.S.S.R., trade barriers in the European Economic Community and world wide over-production in a number of the more important metals. In addition, large loans by foreign countries on long-term credits to assist industrialization of under-developed countries presented serious obstacles. The Division has also continued to be deeply concerned over the threat of increased import restrictions in the United States, Canada's most important market for metals.

During the year, the Division participated in a number of studies, the most important of which was one on copper pricing and its effects on the export of products manufactured from copper and copper-base alloys. It was also responsible for instigating a special study of freight rates by the railways which resulted in special winter rates for the movement of steel products to export markets.

This Division has also kept the lead and zinc situation in Canada under close review and detailed reports have been submitted for the confidential use of the United Nations Lead and Zinc Study Group.

## Textiles and Consumer Goods Division

As a result of reorganization within the Branch, the Textiles and Consumer Goods Division is primarily concerned with raw materials for the textile industry, the production of the primary and secondary textile industries, and the cutting up trades. Other commodities handled include sporting goods and toys, leather and leather products, handicrafts and novelty items.

During the year, particular emphasis was placed on exports to the United Kingdom as a result of the liberalization of import restrictions. First-hand market surveys, undertaken by the Division for clothing and for sporting goods and toys, generated considerable interest and attention in that market. Due to the quality and variety of design offered, exceptional results were achieved in the sale of synthetic and cotton fabrics, as well as high-styled outerwear for men and boys. Considerable success was also achieved in teen-age footwear and slippers and particularly in "do-it-yourself" kits in the mocassin field. Furthermore, encouragement and assistance in the field of jewellery has resulted in a seven-fold increase in exports over the yearly average for the past ten years.

Efforts of the Division have also been rewarded with excellent results in the export of leather to Central America, wool garments, shirts, towels, and blankets to the United States of America, New Zealand and Australia and in knitted terylene and nylon fabrics to Hong Kong which alone should reach \$1 million this year.

## Transportation and Trade Services Division

Throughout the year, this Division followed closely the trends and short term fluctuations in charter market and liner service freight rates. Charter rates on such bulk commodities as grain, timber, iron ore and petroleum were analyzed. The effect of ocean liner rate increases on exports of Canadian products in relation to similar commodities from competing countries were studied, as were problems dealing with routes, shipping services, and freight costs of concern to industry and to other departments. Where Canadian firms were encountering discriminatory ocean freight rates, representations were made to shipping lines seeking more favourable rate levels for Canadian exporters. Lower rail rates to Atlantic ports and wharfage charges were negotiated to enable steel exports to continue to move during periods when navigation on the Lakes and on the St. Lawrence is closed. Discussions were undertaken with air carriers to the end that transatlantic air freight commodity rates to and from Montreal were established on a parity with the rates to and from New York. In pursuit of its activities, the Division was represented on the Canadian Port Committee, the Technical Committee on Dangerous Goods, and other interdepartmental committees.

Included also in the responsibilities of the Division were the administration of the *Export and Import Permits Act* and the maintenance of the Department's Exporters and Importers Directories. In the course of the year



a number of adjustments were made to the Export Control List involving additions, deletions and re-definitions. Detailed confidential information on the organization and commodity interests of Canadian firms were distributed to Trade Commissioners abroad to facilitate the handling of trade enquiries and to provide reference material for trade promotion.

## ECONOMIC AND TECHNICAL ASSISTANCE BRANCH

This Branch ceased to exist when its functions were absorbed by the new External Aid Office, which was established on November 1, 1960 and which comes under the responsibility of the Secretary of State for External Affairs. This report accordingly covers the first ten months of the year only.

Up to October 31, 1960, the Economic and Technical Assistance Branch was responsible for the administration of Canada's foreign aid programmes, including the Colombo Plan for Co-operative Economic Development of South and South-East Asia, the Canada-West Indies Aid Programme and the Commonwealth Technical Assistance Programme, which involves the independent Commonwealth states of Africa and other Commonwealth countries outside the Colombo Plan area.

In addition, the Branch co-operated with the United Nations and its Specialized Agencies, the United States' International Co-operation Administration and other international aid organizations, by arranging programmes for trainees coming to Canada under these agencies and by recruiting experts for specialized assignments abroad.

The Branch was, in addition, responsible for the financial administration of the Commonwealth Fellowship and Scholarship Plan, which came into operation in 1960 and through which one hundred scholarships were awarded during the year.

Canadian aid given under the different programmes includes capital projects, commodities and technical assistance. Construction projects, supply of machinery and equipment, professional and engineering services and surveys are given under the capital assistance programmes, as well as gifts of such commodities as fertilizers, industrial metals and foodstuffs. Through the technical assistance programmes, individuals from underdeveloped countries are brought to Canada for training in different fields, and Canadians are recruited for assignments abroad as instructors and advisors.

Parliament provides funds in Canada each year for the continuation of the aid programmes. The funds are voted to the Department of External Affairs, which exercises broad control over their use. The division of each year's funds between countries, and between capital and technical assistance, is determined by Cabinet. Cabinet consideration and approval is mandatory for proposed capital assistance projects, while technical assistance expenditures are made under the authority of a general Order in Council, which was issued in 1950 and which has been amended from time to time as necessary.

The amount voted by Parliament in 1960-61 for the Colombo Plan was \$50 million, funds for the West Indies amounted to \$4.5 million, and \$.50 million was allocated to the Commonwealth Technical Assistance Programme.

As in the two previous years, requests for capital assistance under the Colombo Plan continued to stress the need for industrial aid and agricultural commodities, a reflection of the shortage of foreign exchange in recipient countries for the purchase of essential raw materials and foodstuffs. Canada was also requested to assist in a number of new development projects through the provision of equipment, materials and engineering services. Several projects commenced in previous years were completed or approaching completion by the end of the period under review. They included the Warsak and Shadiwal power projects in Pakistan, along with the first two stages of the Kundah hydro-electric and irrigation project in Madras State and the experimental atomic reactor at Bombay in India. Satisfactory progress was also made on other major projects.

Construction of the two inter-island passenger-cargo vessels for the West Indies proceeded on schedule, and the vessels are expected to be commissioned in 1961.

An average of 50 Canadian experts was maintained abroad throughout the period under review under the three aid programmes. The assignments tended to be of longer duration than those of the previous year, the majority being for one year or more. Assignments were undertaken in such fields as statistics, cost accounting, prospecting, geology, engineering, agriculture, co-operatives, transportation, public administration, education, health, law and housing.

The number of trainees coming to Canada in 1960 under all agencies totalled 578 by the end of October. This figure does not include the students coming under the Commonwealth Fellowship and Scholarship Plan. Fields of study have been much the same as in previous years, emphasis being placed on agriculture, engineering, the sciences, public administration, health and social welfare.

Without the generous assistance and co-operation extended by other official agencies at the provincial and municipal as well as federal levels of government, by industry, universities and voluntary associations across Canada, the success achieved in the Canadian foreign aid programmes administered by the Branch from 1950 to October 31, 1960 would have been impossible.

## ECONOMICS BRANCH

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on various aspects of Canada's economic development as required for official use.



In periodic statements on the general economic situation and outlook, an attempt was made to appraise the principal forces operating in the economy and to interpret their probable effects on economic activity in the period ahead. In some cases, these reports were designed for general background use within the Government, while in others, they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. Reports on current trade developments and on particular aspects of Canada's foreign trade were prepared as required.

Other features of the general economic situation examined periodically included employment conditions, both nationally and regionally, and developments relating to the consumer market.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. In resource industries, attention was focussed upon the changing pattern of world demand for industrial materials. In secondary manufacturing, the impact of imports upon the position of Canadian industries was followed closely and various aspects of this subject were given special study. Further research was undertaken relating to the development of Canada's primary iron and steel industry, and material on the consumption of rolling mill products by regions was up-dated and published. Work proceeded on background studies dealing with individual Canadian industries and world commodity markets.

The Branch participated from time to time in the preparation of economic material required in connection with international meetings and representations from industry, or for other departmental purposes. Special studies were conducted on various economic and trade issues requiring the attention of the Department.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programmes.

## INDUSTRIAL DEVELOPMENT BRANCH

The Industrial Development Branch assists Canadian manufacturers, processors, and associated service establishments to expand their existing operations. Foreign companies interested in establishing plants in Canada are also provided with all available assistance. The Branch works closely with other federal agencies, and with provincial, regional and municipal bodies in carrying out these functions. In addition, the Branch maintains close working arrangements with private development agencies, such as railways, power companies, boards of trade, chambers of commerce and the Canadian Manufacturers' Association.

Direct inquiries received in 1960 included 610 from forty foreign countries and 700 from Canadian sources. These inquiries were concerned with establishing branch plants, licencing arrangements, investment opportunities and general information. Approximately 925 foreign and Canadian businessmen were interviewed in Ottawa. In addition, Branch officers consulted with many others during business tours in Canada and abroad.

A considerable number of the foreign firms that established manufacturing operations in Canada, in 1960, were assisted by the Branch. The operations of these companies covered a wide range of products. Among these, the following are representative—beverage dispensers, speed reducers, pressure controls, fishing tackle, abrasive stones, granite building products and forged steel pipe fittings.

The Branch was represented at the Twelfth Annual Conference of the Provincial Governments' Trade and Industry Council held in Winnipeg, Manitoba. Officers of the Branch were active also at the International Trade Fair in Montreal, Quebec; the American Industrial Development Council Conference in Atlantic City; the Design Engineering Show in New York; the Atom Fair in New York; the National Metals Congress in Philadelphia; the Machine Tool Exposition and Production Show in Chicago; the American Society of Tool Engineers Show in Detroit; the National Association of Home Builders Convention in Chicago; the Quebec Industrial Commissioners Association's meetings at Quebec City and Montebello, and the Ontario Government's Industrial Development Conference in Toronto.

In response to numerous requests, the Branch has prepared a series of publications to assist in industrial expansion. There has been widespread distribution of these booklets, which cover such subjects as *The Canadian Environment*, *Taxation in Canada*, *Forms of Business Organization*, *Canadian Customs Duties*, *Financing New Industries in Canada*, and the *Small Business Manual*. These publications are distributed to industrial development organizations, business consultants, trade associations, chartered banks, provincial governments and the Department's offices abroad.

The *Industrial Development Bulletin*, which is issued regularly in English and French, gives information on new products developed by foreign organizations and available for manufacture in Canada under licensing and



royalty arrangements. The Bulletin has a wide circulation and extensive publicity is given by the technical and financial press to the items contained in it. Its circulation list now includes over 700 Canadian manufacturers seeking new products to round out their production. Increased interest on the part of Canadian companies in new products has expanded the work in the licensing field.

In 1960, the publication of the bulletin *Investment Opportunities Abroad* was continued. This Bulletin provides information on foreign companies seeking association with Canadian manufacturers.

The demand for information on Canadian market possibilities increased in 1960 and resulted in substantial expansion in the work of the Branch. Forty import surveys were carried out, including major studies on the imports of chemicals and electrical products. The chemical surveys carried out during the past several years are providing comparative data for a new study that is in the course of preparation. In addition to these studies, special investigations were carried out to develop import information on specific products as a result of urgent demands from Canadian manufacturers.

The Branch's records showing background information on Canadian municipalities were maintained in 1960. This material continues to be of considerable value to foreign companies interested in establishing manufacturing plants in Canada and to Canadian concerns planning to expand.

The Branch continued close co-operation with the Immigration Branch of the Department of Citizenship and Immigration. Work with the Settlement Division increased very materially in 1960 as a result of a considerable increase in settlement inquiries.

## INTERNATIONAL TRADE RELATIONS BRANCH

The activities of the Branch are directed to safeguarding and improving terms of access for Canadian exports in foreign markets. As a service to Canadian exporters, the Branch provides expert information, advice and assistance on tariffs, import and exchange controls, documentation requirements, and other foreign governmental regulations affecting trade. Policies and practices in other countries which affect international trade are kept under close and continuing review so as to maintain comprehensive and up-to-date information on developments and to publicize new measures of interest to Canadian exporters.

In the field of Canada's international trade and commercial policy, the Branch is concerned with the conduct of Canada's commercial relations with other countries, including the negotiation and administration of trade agreements and Canada's participation in international conferences in these fields.

In 1960, the Branch assumed increased departmental responsibilities with regard to agricultural and energy trade policy matters.

The Branch is organized into a General Relations Division and five Area Divisions—Commonwealth, United States, European, Asia and the Middle

East, and Latin America. The Trade Commissioners in all of our foreign missions report to the Department through the Area Divisions and work directly with the Branch in the performance of its activities.

Officials of the Branch were included in Canadian delegations to various international conferences and meetings during the year. These included the regular sessions of the Contracting Parties to the GATT held in Geneva in May and October, various special meetings of the GATT dealing with problems in trade in agricultural products and balance of payments restrictions. Branch officials are also included in the Canadian Delegation to the GATT Tariff Conference which opened in Geneva on September 1, 1960 and is scheduled to continue well into 1961. In addition, officials took part in the Canada-U.K. Continuing Committee meeting in London in June and the Commonwealth Economic Consultative Council meeting in London in September. Other international meetings in which members of the Branch participated were the Joint Canada-United States Committee on Trade and Economic Affairs which met in Washington in February, and the negotiations in Moscow in April for the renewal of the Canada-USSR Trade Agreement. In March, July and September, the Branch participated in meetings of the Paris Trade Committee dealing with the regional trade problem in Europe, and in July and December in the preparatory meetings for the formation of the Organization of Economic Co-operation and Development. In connection with all of these international conferences and meetings the Branch was involved in the preparation of detailed briefing.

During 1960 there was a substantial increase in the number of enquiries regarding foreign governmental regulations affecting Canada's export trade, particularly with respect to Commonwealth countries. This resulted primarily because of increased interest on the part of Canadian exporters who sought to take advantage of the wide removal of import restrictions throughout Western Europe and the Commonwealth following the general move to convertibility in those areas.

In the field of Canada's commercial relations, particular attention was focussed on the implications for our trade with the United Kingdom arising out of the regional trading arrangements in Europe. The acceleration and implementation of the Common Market arrangements, and particularly the level of the Common Tariff, involved a changing tariff situation facing Canadian exports to the six member countries of the European Economic Commission, and these were the subject of special studies during 1960. There was also increasing interest in Canada's trade with Sino-Soviet Bloc countries, including trade under the renewed Canada-USSR Trade Agreement.

The areas of particular interest in the United States were the proposed revisions of the United States Tariff; the public hearings before the United States Tariff Commission in preparation for United States participation in the GATT Tariff Conference, the United States Export Expansion Programme, and United States Customs procedures.

With regard to Latin America, the Branch was involved during 1960 in the special trade problems which arose with Cuba resulting from the



United States embargo on exports to that country. Developments of economic regionalism in Latin America which followed the signing of the Montevideo Treaty in February 1960 were the subject of special consideration by the Branch, as were the activities of the Central American countries in preparing for a Free Trade Area in that region.

Canada's participation in the GATT, including preparations for the Geneva Tariff Conference and the Ministerial and other meetings in Paris relating to the negotiations for the establishment of the OECD and the problems of the Six and the Seven, involved intensive activities in the field of Canada's general trade relations.

As regards agricultural matters, the Branch was involved in meetings relating to the International Wheat Agreement, the Wheat Utilization Committee and periodic consultations with the United States on wheat matters.

### SMALL BUSINESS BRANCH

The Small Business Branch was established to provide "a liaison between the Government and small business to study the problems of small business and to advise the Government on measures necessary to meet them".

The functions of the Branch have been developed in accordance with these general terms of reference. Small businessmen, either individually or through their associations, use the Small Business Branch as a contact point for business information or to explain their problems to the Government. In addition to having a large number of interviews with individual businessmen, the Branch held formal meetings in 1960 with a number of business associations in the manufacturing industries and in the distributive trades. At these meetings, matters such as financing, government procurement and management education were discussed as well as other subjects of interest to business. Problems raised at these meetings were investigated and reports were prepared, making recommendations where appropriate. With regard to small business financing, the *Small Businesses Loans Act* was enacted in 1960 to assist small business entrepreneurs to obtain capital for the improvement and modernization of their business equipment and premises. In co-operation with other departments of the Federal Government, the Small Business Branch prepared background material for this legislation.

In 1960, the Branch further developed its activities as a clearing house for business enquiries. Many services are already available to small businessmen from a number of Federal Government departments and during the year the Branch developed closer liaison with these departments. Meetings were held with the Technical Information Service of the National Research Council and other departments and agencies of the Government to co-ordinate further the various government services to small business.

The business enquiries received by the Branch in 1960 covered all aspects of business operation, including such topics as the establishment of various types of business enterprises, capital requirements, licensing regulations, unfair business practices, tariffs, taxation, advertising, accounting, and

other fields of business management. From its own resources, the Branch was able to supply a great deal of general economic and statistical information on markets, production and similar matters to businessmen who were planning to establish or to expand their business enterprises. Enquiries which called for more specialized knowledge on such matters as unfair business practices, tariff problems or scientific questions were referred to the departments concerned.

Another function of the Small Business Branch is to compile and distribute bulletins of general interest to small business including information on government procurement. With regard to the latter, the Branch prepared and published in 1960 a government procurement manual entitled *Selling to the Canadian Government*. The manual included information on the procurement methods and procedures of the Federal Government and on the types of commodities and services purchased by the various departments. This publication was well received and by the end of 1960 had gone into a second printing. Also, in the field of general business information, the Branch undertook, in co-operation with the Department of National Revenue, the compilation of balance sheet and operating statistics by industry, and by size of industry, for the 1959 taxation year. From these statistics, which will be made available to the public, businessmen can calculate various business operating ratios for the particular industry in which they are engaged.

The Branch continued to build up its library and bibliography of information on all areas of business management. During the year, a great many requests were received in this area relating to such topics as office procedures, inventory control, accounting and advertising.

The promotion of management education is another function of the Small Business Branch. In 1960, discussions were held with representatives of the Provincial Government Departments of Trade and Industry, and Industrial Development and with business associations on the development of programmes of management education for small business. Various educational institutions are working in this field in the present time. Since the Small Business Branch does not wish to duplicate these activities, it initiated a survey to determine the type and extent of management education courses, seminars and conferences that are already in existence.

## STANDARDS BRANCH

All measuring devices used in general commerce for volume, weight or linear determination, and all meters for the sale of electricity and gas are subject to type approval before installation, and to periodic inspection when in use. These activities are undertaken by the Standards Branch. Also, inspections and assays are maintained to ensure quality levels in precious metal production, and the labelling and advertising of designated commodities are regulated. The facilities of the Branch's laboratory are available to industry and government departments in resolving measurement problems.



Inspections of meters and metering installations under the *Electricity Inspection Act*, and the *Gas Inspection Act* were below 1959. The trend to fewer re-inspections reported for 1959 was reversed with an increase of 54,000. The net reduction resulted from a decrease in the number of new meters presented for original inspection. There were 75,500 fewer than in 1959. The Branch continued to act as agent for the National Energy Board in the inspection of export and import meters and metering installations.

Inspection of measuring devices in general trade use increased from 479,523 in 1959, to 493,700. The trend to larger capacity and more complicated devices continued. Coastal inspections were maintained in Newfoundland and British Columbia, and the specialized heavy duty and volumetric units continued to provide a valuable contribution to field inspection. Over half a million prepacked commodities were checked with results which indicated closer supervision by the trade. The extension of inspections at production level was a contributing factor in this improvement.

Labelling regulations under the *National Trade Mark and True Labelling Act* continued to be effective. Those covering turpentine were amended to take care of a situation in the labelling of substitutes. Sixteen dimensional standards have been published for inclusion in the garment sizing programme, with approximately the same number near completion or under study.

Inspections and assays under the *Precious Metals Marketing Act* indicate generally satisfactory conditions. The field staff gave effective coverage at retail, wholesale and manufacturing levels of the jewellery industry, and at Customs ports.

The laboratory of the Standards Branch maintained and in some areas expanded its programme of calibration of standards, and of standardization of equipment and methods of measurement. Problems in the design, construction and functioning of equipment for the gas, electricity, petroleum and general trade fields become continually more complex. This inevitably involves development of new test methods and test equipment for approval testing coupled with the more difficult problem of providing test equipment and practical methods of inspection at the field level. With the improvement and extension of the laboratory facilities there has been a notable increase in the requests for assistance in measurement problems from industry.

## TRADE COMMISSIONER SERVICE

The overseas arm of the Department, the Trade Commissioner Service, continued to promote Canada's foreign trade interests on the ground abroad. More than 120 officers were maintained at the 63 posts in 47 different countries. Appendix "I" records the locations of their respective offices.

In addition, in view of Canada's breadth, regional domestic offices were operated in Vancouver, B.C., and St. John's, Newfoundland, to act as a link for the Department with businessmen on the Pacific and Atlantic coasts.

## Trade Promotional Activities

The duties of a Trade Commissioner include securing market and credit information for the Canadian exporter; conducting market surveys; recommending suitable agents; reporting on export opportunities; and supplying up-to-date information on tariffs, import quotas and exchange controls.

Maintaining close liaison with local government officials and businessmen is an integral part of a Trade Commissioner's work. In addition, he is called upon to recommend and organize Canadian trade exhibits in foreign fairs; to arrange for and participate in Canadian trade missions traveling abroad; and frequently to attend international conferences as Canada's delegate.

During 1960, Trade Commissioners were instrumental in setting up 847 agency or buying connections for Canadian exports and more than 9,000 enquiries from Canadian exporters about foreign markets were received at the various posts and processed—quite apart from those enquiries accumulated at the Export Trade Promotion Conference, Ottawa, in December. The handling of enquiries from foreign buyers concerning Canadian products also comprised an important part of the work.

A gauge of the effectiveness of the trade promotional activities is the fact that the total of new business influenced in various ways by all Trade Commissioners during the calendar year 1960 was more than \$100 million.

## New Posts Opened

During 1960, four new Trade Commissioner offices were opened: Glasgow, Scotland, in February; Canberra, Australia, and Moscow, U.S.S.R., in April; and Lagos, Nigeria, in September.

## Conferences

From April 19-22, inclusive, the officers in charge of all Trade Commissioner Service posts in the Caribbean area met in a regional conference held at Bridgetown, Barbados, under the chairmanship of the Director, Trade Commissioner Service, to discuss matters concerning Canada's trade with the area.

From November 30-December 16, inclusive, all Trade Commissioners stationed abroad were summoned to Ottawa for the Export Trade Promotion Conference. The first four days were occupied in plenary sessions with Ottawa-based officers of the Department in a review of trade promotional programmes, policies and practices; the balance of the period was devoted to personal interviews with individual Canadian businessmen to discuss the export prospects for particular goods or services in specific overseas markets.

## Personnel

On November 30, it was announced that, with effect from January 1, 1961, Mr. H. Leslie Brown, Assistant Deputy Minister (External Trade Promotion) and concurrently Director, Trade Commissioner Service, would relinquish his duties as Director of the Service in order to give full attention



to responsibilities in the field of external trade promotion. Mr. T. R. G. Fletcher, Executive Director, Trade Commissioner Service, was named Acting Director of the Service, effective January 1, 1961.

On December 2, Mr. H. L. E. Priestman, latterly Consul General of Canada at Manila, Philippines, retired after 31 years of service, during which he had served in New Zealand, Australia, the United Kingdom, Ireland, and Vancouver.

As of December 31, there were 151 officers on strength in the Trade Commissioner Service, of whom 123 were on duty in the overseas offices. Seven recruits, taken on during the year, were in training in Ottawa.

In a number of offices abroad, Canadian clerical and stenographic staff are posted. Classified as Foreign Service Employees, these clerks and stenographers carry out complementary functions under the direction of the Trade Commissioner. To make adequate provision for security, Foreign Service Employees are to be stationed at an increased number of posts and the need for further recruitment to meet objectives is expected to continue for some time. At the end of 1960, 49 Foreign Service Employees were on strength, stationed at 23 overseas offices as well as at Ottawa.

The successful functioning of the Trade Commissioner Service would not be possible without the loyal assistance and support of personnel engaged locally in the posts abroad. At year end, 300 local employees were on strength.

## TRADE PUBLICITY BRANCH

The Trade Publicity Branch is primarily concerned with furthering the Department's trade promotion activities through publicity measures. In much the same way as private industry utilizes various media to attract the attention of prospective customers to its products or services, the Trade Publicity Branch undertakes through advertising, trade promotional brochures and periodicals, press releases and films, to stimulate a demand for Canadian products and to make Canada known as a possible source of supply in other countries.

In Canada, the Branch provides foreign market information of interest to Canadian firms through the publication of booklets and periodicals. An important facet of its work is the distribution of departmental press releases, copies of Ministerial statements and addresses, and speeches by senior departmental officials. These are also mailed to Trade Commissioners as background information for use by publications in their respective territories.

The Branch also co-ordinates the Department's programme of Canadian participation in trade fairs in other countries.

### Organization

Early in the year, the former Trade Fairs Abroad Office became a division of the Branch which now consists of three divisions—the Trade Fairs Abroad Division, the Editorial and Art Services Division and the *Foreign Trade Division*.

## *Foreign Trade and Commerce Extérieur*

The principal media through which information on market and economic conditions in foreign countries is made available to Canadian businessmen are *Foreign Trade*, the Department's fortnightly publication, and *Commerce Extérieur*, its French-language counterpart, which is published monthly. The articles are written by Canadian Trade Commissioners posted abroad and, to a lesser extent, by other officers in Ottawa.

During the year, the editorial content emphasized export opportunities, especially in areas where the relaxation of import restrictions improved sales opportunities for goods from dollar countries. For example, special articles on the market for various types of consumer goods in the United Kingdom were published. Sales possibilities in Australia were featured in another issue, while the West African market and that of West Germany were reviewed at some length. The series of export success stories entitled "As the Businessman Sees It" was continued.

Trade promotion activities of the Department were outlined, including the four trade missions that proceeded to the United Kingdom, the European Economic Community and South America during the latter part of the year, and the Export Trade Promotion Conference held in Ottawa in December.

Among the features inaugurated in 1959 and continued during the year under review were "Markets in Brief", which provided information on the countries concerned in capsule form, illustrated with a map; "Advertising Abroad", which provided reports from Trade Commissioners in nineteen countries; and "Markets for Paints and Varnishes", which provided reports from forty-four countries.

This publication was directed to the attention of high school principals, and to university students in economics, commerce, international trade and similar courses. A fair number of new subscriptions were received as a result. Selected groups of exporters were also canvassed. The paid circulation of *Foreign Trade* rose nearly 13 per cent in 1960.

### Other Publications

A large number of other publications of a trade promotion character were produced by the Branch. These included a general promotional folder entitled *Canada Calling*, for distribution at all trade fairs in which Canadian participation was arranged by the Department. This folder was produced in Dutch, German and Afrikaans, as well as in English and French. In addition, a specific brochure containing information on the Canadian firms participating, and the products being exhibited, was produced for each of the thirteen trade fairs in which the Department participated.

An attractive illustrated brochure containing biographical details of the mission members, itinerary and information on the Canadian industries represented, was prepared for each of the four trade missions organized and sponsored by the Department. French, German, Dutch and Italian language

versions for the European Economic Community Mission and a Spanish-language version for the Consulting Engineers Mission to Latin America were produced.

A new trade promotion periodical, *Canada Courier*, was introduced during the year. *Canada Courier* is an eight-page tabloid-size newspaper containing information on Canadian goods and services for export, new Canadian processes, financial and economic developments in Canada, natural resource development projects and other information of interest to foreign businessmen. It is distributed to manufacturers, importers, agents, banks, government officials, daily, weekly and financial publications, and other firms and individuals who may be interested in Canada as a source of supply for their requirements. Distribution is effected through the Canadian Trade Commissioners.

Other publications produced during the year worthy of mention were *Canadian Chemicals for Export*, *Selling to the Canadian Government*, *Opportunity U.K.*, *Trade and Commerce at your service*, *Wild Fur Bearers of Canada*, *Frame Construction with Canadian Timbers* and *Canadian Wood at Work*.

### Services to the Press

Countless enquiries and requests for information on trade, Canada's economy and industrial development, were received from newspaper and other correspondents seeking facts and figures for use in articles, many for reproduction in United States and overseas publications.





## Part III

### Appendices



## Appendix "A"

### Legislation Administered by the Department of Trade and Commerce

1. Legislation for which the Department is administratively responsible:
  - Department of Trade and Commerce Act
  - Electricity Inspection Act
  - Export Act
  - Export and Import Permits Act
  - Gas Inspection Act
  - Grain Futures Act
  - Inland Water Freight Rates Act
  - National Trade Mark and True Labelling Act
  - Precious Metals Marking Act
  - Statistics Act
  - Weights and Measures Act
2. Other Legislation, reported to Parliament through the Minister of Trade and Commerce:
  - Canada Grain Act
  - Canadian Wheat Board Act
  - Export Credits Insurance Act
  - National Energy Board Act
  - Newfoundland Fisheries (Term 22 of Union)
  - Northern Ontario Pipe Line Crown Corporation Act
  - Prairie Grain Advance Payments Act
  - Prairie Grain Producers Interim Financing Act
  - Temporary Wheat Reserves Act

## Appendix "B"

### Directory of Boards, Crown Companies and Agencies

Reporting to Parliament through the Minister of Trade and Commerce

*Dominion Bureau of Statistics—*

Dominion Statistician, W. E. Duffett

*Eldorado Aviation Limited—*

President, A. B. Caywood

*Eldorado Mining and Refining Company Limited—*

President, W. M. Gilchrist

*Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

*National Energy Board—*

Chairman, Ian N. McKinnon

*Northern Ontario Pipe Line Crown Corporation—*

President, D. A. Golden

*Northern Transportation Company Limited—*

President, W. M. Gilchrist

The activities of these organizations are described in their respective annual reports.

By P.C. 1960-1397 of October 11, 1960, the powers and duties under the Canadian Wheat Board Act were transferred to the Department of Agriculture.

By P.C. 1960-1580 of November 17, 1960, the powers and duties under the Canada Grain Act (Board of Grain Commissioners) were transferred to the Department of Agriculture.

By P.C. 1960-1654 of December 6, 1960, the Honourable Gordon Churchill was named Chairman of the Committee of the Privy Council on Scientific and Industrial Research. The Honourable George Hees was appointed a member of the Committee.

As a result of this order, the following organizations, which formerly reported to Parliament through the Minister of Trade and Commerce, now report through the Honourable Gordon Churchill:

*Atomic Energy Control Board*

*Atomic Energy of Canada Limited*

*Canadian Patents and Development Limited*

*National Research Council.*



## Appendix "C"

### Distribution of Departmental Staff as at December 31, 1960

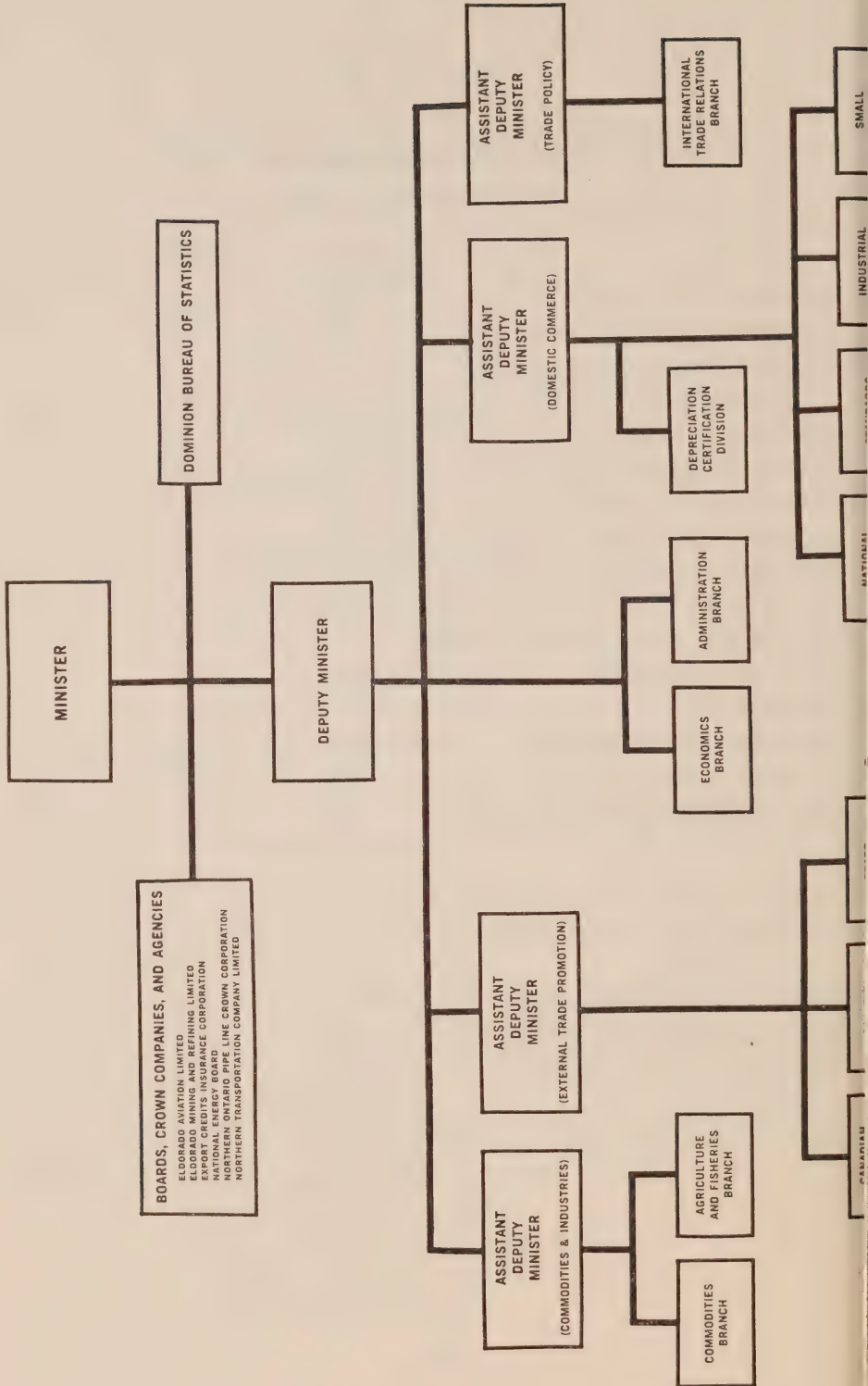
	<u>1958</u>	<u>1959</u>	<u>1960</u>
Administration Branch .....	165	170	185
Agriculture and Fisheries Branch .....	24	26	23
Canadian Government Exhibition Commission .....	95	84	90
Commodities Branch .....	112	110	105
Economics Branch .....	37	36	39
Energy Studies Branch .....	6	4	—
Industrial Development Branch .....	24	29	32
Economic and Technical Assistance Branch .....	43	54	62
International Trade Relations Branch	31	44	57
Small Business Branch .....	6	10	8
Standards Branch .....	387	386	397
Trade Commissioner Service .....	479	490	511
Trade Fairs Abroad Office .....	3	5	—
Trade Publicity Branch .....	16	19	24
	<u>1,428</u>	<u>1,467</u>	<u>1,533</u>

The above figures do not include  
the following:

Board of Grain Commissioners .....	935	912	910
Canadian Government Elevators .....	237	234	203
Dominion Bureau of Statistics .....	1,640	1,661	1,880
	<u>4,240</u>	<u>4,274</u>	<u>4,526</u>

# Appendix "D"

## DEPARTMENT OF TRADE AND COMMERCE ORGANIZATION CHART



## Appendix "E"

### Head Office Directory (As of December 31, 1960)

Unless otherwise noted, all offices of the Department are in the Trade and Commerce Building, Wellington and Lyon Streets, Ottawa. If you are telephoning from out of town, call the government switchboard, Central 2-8211, and ask for the local; if you are in Ottawa, dial 9, then the government local. A complete Head Office Directory is prepared monthly by the Trade Publicity Branch and is available on request.

<i>Minister:</i> The Honourable GEORGE HEES .....	2-0336, 2-0337
<i>Executive Assistant:</i> M. R. JACK .....	6-7052
<i>Private Secretary:</i> Mrs. RETA TAYLOR .....	2-0337
<i>Deputy Minister:</i> JAMES A. ROBERTS .....	2-2888, 2-5838
<i>Executive Assistant:</i> D. H. CHENEY .....	2-2380, 2-0819
<i>Executive Assistant:</i> C. J. MACCALLUM .....	2-2380, 2-0819
<i>Assistant Deputy Minister (External Trade Promotion):</i> H. LESLIE BROWN .....	2-2530, 2-0798
C. T. WOOD .....	2-2242
<i>Assistant Deputy Minister (Trade Policy):</i> J. H. WARREN .....	2-4042, 2-2649
<i>Assistant Deputy Minister (Commodities and Industries):</i> DENIS HARVEY .....	2-5417, 2-7056
<i>Assistant Deputy Minister (Domestic Commerce):</i> B. G. BARROW .....	6-8431, 6-8502
<i>Special Assistant:</i> T. E. BOCKING .....	6-6968
<i>Chief, Depreciation Certification Division</i> .....	6-6904

#### Administration Branch

<i>Comptroller-Secretary:</i> FINLAY SIM .....	2-2262
<i>Chief, Personnel Division:</i> L. J. RODGER .....	2-5430
<i>Chief, Office Services Division:</i> C. DROLET .....	6-6672

#### Agriculture and Fisheries Branch

<i>Acting Director:</i> R. W. BLAKE .....	6-7634
<i>Chief, Fisheries Division:</i> T. R. KINSELLA .....	6-7385
<i>Acting Chief, Food and Agriculture Division:</i> K. L. MELVIN .....	2-3172
<i>Chief, Grain Division:</i> R. M. ESDALE .....	2-5830, 2-5648

#### Canadian Government Exhibition Commission

479 Bank Street

<i>Director:</i> GLEN BANNERMAN .....	6-7412, 2-3558
<i>Administrative Officer:</i> A. D. SIMMONS .....	6-6795
<i>Chief, Design Section:</i> T. C. WOOD .....	2-3671

#### Commodities Branch

<i>Acting Director:</i> E. C. THORNE .....	6-7163
<i>Assistant Director:</i> A. M. TEDFORD .....	6-6905
<i>Chief, Appliances and Commercial Machinery Division:</i> G. W. RAHM .....	6-6950
<i>Chief, Chemicals Division:</i> G. E. MCCORMACK .....	2-5993
<i>Chief, Engineering and Equipment Division:</i> R. A. FRIGON .....	2-4082
<i>Chief, Forest Products Division:</i> J. C. DUNN .....	2-0273
<i>Chief, Metals and Minerals Division:</i> J. M. ROCHON .....	6-8422
<i>Chief, Textiles and Consumer Goods Division:</i> A. C. FAIRWEATHER .....	6-6197
<i>Chief, Transportation and Trade Services Division:</i> G. M. SCHUTHE ..	6-6236

## Economics Branch

<i>Director:</i> V. J. MACKLIN .....	2-5658
<i>Assistant Director:</i> D. J. DALY .....	6-8900

## National Design Branch

<i>Director:</i> .....	2-0341
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## Industrial Development Branch

<i>Director:</i> B. R. HAYDEN .....	6-7886
<i>Chief, Research Division:</i> W. M. HALL .....	2-4143
<i>Chief, New Products Division:</i> G. A. COOPER .....	2-4181
<i>Chief, Import Analysis Division:</i> G. P. BOURNE .....	2-5909
<i>Chief, Regulations and Publications Division:</i> J. H. O'CONNELL .....	2-3713

## International Trade Relations Branch

<i>Director:</i> R. CAMPBELL SMITH .....	2-2250
<i>Assistant Director:</i> R. E. LATIMER .....	2-2981
<i>Assistant Director:</i> V. L. CHAPIN .....	6-7594
<i>Chief, General Relations Division:</i> R. E. LATIMER .....	2-2981
<i>Chief, Asia and Middle East Division:</i> J. R. DOWNS .....	2-5642
<i>Chief, Commonwealth Division:</i> A. W. A. LANE .....	2-2421
<i>Chief, European Division:</i> W. G. PYBUS .....	6-8727
<i>Chief, Latin American Division:</i> B. S. SHAPIRO .....	6-7641
<i>Chief, United States Division:</i> G. A. BROWNE .....	2-5176

## Small Business Branch

<i>Assistant Director:</i> MORGAN J. MAHONEY .....	2-4737
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## Standards Branch

(Standards Building, Holland Avenue, Tunney's Pasture)

<i>Director:</i> R. W. MACLEAN .....	2-2132
<i>Assistant Director and Chief, Electricity and Gas Division:</i> E. F. POWER .....	2-2956
<i>Chief, Weights and Measures Division:</i> C. S. PHILLIPS .....	2-2000
<i>Chief, Laboratory Division:</i> W. J. S. FRASER .....	2-2575
<i>Commodities and Precious Metals Marking:</i> G. R. LEWIS .....	6-7075

## Trade Commissioner Service

<i>Director:</i> H. LESLIE BROWN .....	2-2530, 2-0798
<i>Assistants to the Director:</i> P. A. SAVARD .....	2-3058
K. G. RAMSAY .....	6-8539
<i>Executive Director:</i> T. R. G. FLETCHER .....	6-8286
<i>Assistant Director (Personnel):</i> H. M. MADDICK .....	6-6800
<i>Assistant Director (Administration):</i> W. J. MILLYARD .....	2-5669

## Trade Publicity Branch

<i>Director:</i> C. J. VAN TIGHEM .....	2-2479, 6-6394
<i>Assistant Director:</i> J. FERGUS GRANT .....	2-2186
<i>Editor, Foreign Trade and Commerce extérieur:</i> Miss O. MARY HILL .....	6-6588
<i>Chief, Editorial and Art Services Division:</i> F. R. HAMILTON .....	6-6435
<i>Chief, Trade Fairs Abroad Division:</i> D. G. W. DOUGLAS .....	6-8269

## Translation Branch

<i>Chief:</i> EMILE BOUCHER .....	2-2760
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## Appendix "F"

### Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1957-58 to 1959-60

	<u>1957-58</u>	<u>1958-59</u>	<u>1959-60</u>
Minister's Salary and Motor Car Allowance	\$ 17,000	\$ 17,000	\$ 17,000
General Administration			
Departmental Administration .....	2,150,340	2,371,548	2,482,332
Trade Commissioner Service			
Administration and Operation .....	3,221,212	3,307,498	3,683,166
Construction or Acquisition of Buildings, Land, Equipment and Furnishings .....	62,696	148,948	48,630
Exhibitions			
Exhibitions Generally .....	461,777	701,912	841,117
Canadian Participation in the Brussels Universal and International Exhibition 1958 .....	1,585,642	697,640	.....
Standards Branch .....	2,176,533	2,245,246	2,351,718
Dominion Bureau of Statistics			
Continuing Operations .....	7,478,417	7,836,433	8,164,273
Expenses in connection with the 1958 Survey of Farm Income and Expenditure .....	.....	406,007	59,042
Expenses in connection with the 1961 Decennial Census of Canada .....	.....	.....	155,897
Board of Grain Commissioners (Canada Grain Act)			
Salaries of the Commissioners .....	42,000	42,000	42,000
Administration .....	159,631	161,833	157,494
Inspection and Weighing of Grain, and Related Services .....	4,135,499	4,309,937	4,245,082
Canadian Government Elevators			
Operation and Maintenance .....	1,372,842	1,485,646	1,462,720
Construction or Acquisition of Buildings, Works, Land and Equipment .....	552,260	141,542	144,117
	<u>\$23,415,849</u>	<u>\$23,873,190</u>	<u>\$23,854,588</u>

#### SPECIAL

Temporary Wheat Reserves Act			
Payment of Carrying Costs of Temporary Wheat Reserves owned by The Canadian Wheat Board .....	33,307,928	38,401,372	42,344,483
Payments under Prairie Grain Advance Pay- ments Act .....	.....	893,210	756,391
Payments under Prairie Grain Provisional Payments Act .....	.....	.....	3,713
To reimburse The Canadian Wheat Board for the loss incurred by it on its operations in respect of oats for the crop year August 1, 1956 to July 31, 1957 .....	.....	2,132,586	.....

	1957-58	1958-59	1959-60
International Economic and Technical Co-operation Branch .....	212,636	333,133	325,455
Pensions and Other Benefits			
Pensions to former locally engaged employees of offices abroad .....	1,333	1,986	2,872
Gratuities to Families of Deceased Employees .....	1,200	550	.....
	<u>\$33,523,097</u>	<u>\$41,762,837</u>	<u>\$43,432,914</u>
TOTAL: Ordinary plus Special .....	<u>\$56,938,946</u>	<u>\$65,636,027</u>	<u>\$67,287,502</u>

## 2. Expenditures, by Main Headings Only

For comparative purposes the following table has been compiled on a calendar year basis.

	1958	1959	1960
Minister's Salary and Motor Car Allowance .....	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
General Administration .....	5,754,522.39	6,090,311.48	6,638,036.10
Exhibitions .....	2,029,353.56	954,696.67	834,200.31
Standards Branch .....	2,245,241.29	2,311,419.39	2,471,475.57
Dominion Bureau of Statistics .....	7,872,643.63	8,598,149.74	9,238,395.92
Canada Grain Act .....	6,193,104.06	5,906,791.61	6,309,870.47
Canadian Wheat Board			
Temporary Wheat Reserves Act .....	33,473,508.68	41,365,303.48	50,156,830.03
Prairie Grain Advance Payments Act .....	.....	1,020,124.20	863,704.97
Prairie Grain Provisional Payments Act .....	.....	.....	18,483.88
Reimbursement for loss in respect of oats for 1956-57 crop year ....	2,132,586.03	.....	.....
International Economic and Technical Co-operation Branch .....	291,129.18	331,507.69	367,126.24
Pensions and Other Benefits .....	1,750.00	2,171.43	4,854.84
TOTAL .....	<u>\$60,010,838.82</u>	<u>\$66,597,475.69</u>	<u>\$76,919,978.33</u>

## 3. Statement of Revenue

For the fiscal years 1957-58 to 1959-60

	1957-58	1958-59	1959-60
Canada Grain Act .....	\$ 2,659,062	\$ 2,749,474	\$ 2,620,757
Canadian Government Elevators .....	1,847,281	2,048,124	2,098,842
Weights and Measures Inspection Services ....	747,574	802,149	1,036,861
Electricity and Gas Inspection Services .....	924,266	905,042	851,584
Electricity and Fluid Exportation Act .....	1,427,184	1,190,360	856,070
Eldorado Mining and Refining Ltd. (Dividend on Shares) .....	3,525,000	3,525,000	4,230,000
Northern Ontario Pipe Line Crown Corporation—Interest on Loans .....	569,303	3,077,794	4,074,072
Export Credits Insurance Corporation—Premiums in excess of expenses .....	420,119	191,927	1,495,009
Miscellaneous .....	63,699	72,215	79,598
TOTAL .....	<u>\$12,183,488</u>	<u>\$14,562,085</u>	<u>\$17,342,793</u>

## Appendix "G"

### Projects of the Exhibition Commission

#### Part I—Projects sponsored by the Department of Trade and Commerce

##### *National Association of Homebuilders Convention, Chicago, Ill.*

January 17-21, 1960.

Attendance: 32,000

Space occupied: 440 sq. ft.

A representative display of Canadian wood products, particularly for home building, was mounted at the Hotel Sherman. A particular feature of the display was a specially designed hardwood spiral stairway. Representatives of the lumber industry helped in staffing.

##### *National Sporting Goods Association Convention, Chicago, Ill.*

January 31-February 4, 1960.

Attendance: 10,000

Space occupied: 1,880 sq. ft.

A wide range of sports goods and sports equipment supplied by 35 Canadian manufacturers was shown in the Morrison Hotel and staffed by company representatives.

##### *Daily Mail Ideal Home Exhibition, Olympia, London*

March 1-26, 1960.

Attendance: 1,250,000

Space occupied: 7,458 sq. ft.

Described more fully in the body of the Commission's report. A wide range of Canadian food products and household goods from 115 firms was displayed in individually manned booths and in composite areas. The Department's contribution towards the construction of a Canadian Trend Home by the British Columbia Lumber Manufacturers Association was administered by the Commission.

##### *International Atomic Exposition and Congress, New York City*

April 4-7, 1960.

Attendance: 5,000

Space occupied: 2,160 sq. ft.

The products of 18 Canadian firms in the Atomic Energy industry were displayed and staffed by company representatives.

##### *Union Expo (Rand Easter Show), Johannesburg, South Africa*

April 4-23, 1960.

Attendance: 500,000

Space occupied: 8,890 sq. ft. (indoors)

420 sq. ft. (outdoors)

The Canadian pavilion, erected in 1958, was enlarged through the acquisition of an annex, the covering of existing open space and the construction of a larger mezzanine floor, thereby increasing the indoor exhibit area from 4,200 sq. ft. to 8,890 sq. ft. and still providing 420 sq. ft. of outdoor space. A composite display of Canadian products from 68 Canadian firms was installed, consisting of consumer goods, electronic equipment, scientific instruments, industrial and agricultural machinery, etc. A graphic informational exhibit was also included.

*Fur Industries Salon, Paris, France*

April 21-26, 1960.

Attendance: 2,000  
Space occupied: 450 sq. ft.

A representative collection of Canadian raw and dressed pelts and finished fur garments was shown at this salon, occupied jointly by the Canadian Government and the Hudson's Bay Company.

*European Fur Fair, Frankfurt, Germany*

April 28-May 1, 1960.

Attendance: 12,500  
Space occupied: 1,100 sq. ft.

A representative display of Canadian raw and dressed pelts and finished fur garments was shown in this event.

*American Society of Tool Engineers Show, Detroit, Mich.*

April 21-28, 1960.

Attendance: 35,000  
Space occupied: 1,200 sq. ft.

The products of 7 Canadian firms in the machine tools and engineering field were displayed and staffed by company representatives.

*NEBATO (Netherlands Bakery Exhibition), Amsterdam, Holland*

May 10-19, 1960.

Attendance: 30,000  
Space occupied: 2,153 sq. ft.

A prestige type exhibit portraying the quality and handling of Canadian wheat was produced for this show. A feature was a working model built by the Commission for the Canadian Wheat Board, showing the handling of grain from country elevator to ship.

*Design Engineering Show, New York City*

May 23-26, 1960.

Attendance: 20,400  
Space occupied: 2,300 sq. ft.

The products of 17 Canadian firms producing technical equipment of unique or original design were displayed and staffed by company representatives.

*Canadian Manufacturers Association Convention, Royal York Hotel, Toronto*

June 5-7, 1960.

*Canadian Exporters Association Annual Meeting, Seignior Club, Montebello, P.Q.*

October 17-18, 1960.

A 20-foot display depicting the advantages of promoting exports through participation in the Department's trade fair programme and the services available from the Department of Trade and Commerce was shown here.

*British Food Fair, Olympia, London*

September 1-17, 1960.

Attendance: 300,000  
Space occupied: 2,406 sq. ft.

Canada exhibited for the first time in this event. 17 Canadian firms from the food industry participated in individually manned booths.

*Manchester Building Trades Exhibition, Manchester, England*

October 11-27, 1960.

Space occupied: 1,500 sq. ft.

The exhibit prepared for this event was delayed by dock strikes. An effective display was improvised from existing material from the Commission's warehouse in London.



*National Metals Show, Philadelphia, Pa.*

October 17-21, 1960.

Space occupied: 2,000 sq. ft.

The products of 15 Canadian firms in the metal and metal machinery industry were shown, and staffed by company representatives.

*Montreal International Trade Fair, Montreal, P.Q.*

October 25-November 6, 1960.

An exhibit illustrating the services of the Department of Trade and Commerce was installed at this fair.

## Part II—Projects Undertaken and Sponsored by Other Departments

*Grüne Woche Agricultural Fair, West Berlin, Germany*

January 29-February 7, 1960.

Attendance: 468,000 (total)

West Germany 311,500

East Germany 156,500

Space occupied: 1,000 sq. ft.

The exhibit produced for the ANUGA Food Exhibition, Cologne, September 1959, was adapted and used at this event, serving the interests of the Departments of External Affairs, and Citizenship and Immigration.

*Institute of American Poultry Industries,  
Fact Finding Conference, Kansas City, Mo.*

February 12-14, 1960.

Attendance: 3,700

A twenty-foot display sponsored by the Poultry Division, Department of Agriculture, depicted the inspection, grading, packing and marketing of Canadian eggs and poultry.

*National Home Show, Coliseum, Toronto*

April 1-9, 1960.

A twenty-foot display was renovated and installed for Central Mortgage & Housing Corporation.

*National Association of Homebuilders Convention, Montreal*

April 21-26, 1960.

A twenty-foot display was renovated with text changed from English to French for Central Mortgage and Housing Corporation.

*Poznan International Trade Fair, Poznan, Poland*

June 12-26, 1960.

Attendance: 450,000

Space occupied: 3,766 sq. ft.

Sponsored by the Department of External Affairs and with the assistance of Trade and Commerce, an exhibit featuring Canadian electronic equipment, together with products of Atomic Energy of Canada Limited and from the Canadian copper industry, was installed in one-half of Pavilion No. 26. An 80-seat cinema occupied the remainder of the pavilion and Canadian films were shown to full houses continually.

*Pacific National Exhibition, Vancouver, B.C.*

August 20-September 5, 1960.

Attendance: 756,000

Space occupied: 6,000 sq. ft.

Sponsored by and for the account of Atomic Energy of Canada Limited, Chalk River, and their Commercial Products Division, Ottawa, a display was produced illustrating Canada's achievements in the peaceful uses of atomic energy in the fields of Agriculture, Industry and Medicine. The display included working units, models and products supplied by Atomic Energy of Canada Limited.

*Armed Forces Exhibit, Canadian National Exhibition, Toronto*

August 24-September 10, 1960.

Attendance: 2,962,500

Covered space: 7,800 sq. ft.

Outside area : 39,000 sq. ft.

Sponsored by and for the account of the Department of National Defence, a large-scale display was produced on behalf of the three Services. The main exhibit was housed in a space frame structure known as a Geodesic Dome, which provided an unique feature in itself. The outside area was used to display large items of Armed Forces equipment, as well as for the administration and operation centre.

*8th World Congress, International Society for the Welfare of Cripples,  
Waldorf Astoria Hotel, New York*

August 28-September 2, 1960.

Sponsored jointly by the Department of Labour, National Health and Welfare, and Veterans Affairs, a twenty-foot display was produced for this Congress portraying Canada's rehabilitation services and programme.

*2nd World Congress of Anaesthesiologists, Royal York Hotel, Toronto*

September 4-9, 1960.

Attendance: 1,200

A twenty-foot display explaining preventatives against the explosive and electrical hazards in anaesthesia was designed and produced for the National Research Council and the Department of Veterans Affairs.

*German Industries Fair, Berlin, Germany*

September 10-25, 1960.

Attendance: 387,000 West Zone

263,000 East Zone

Exhibition area, Canadian Pavilion: 1,200 sq. ft.

Sponsored by the Department of External Affairs and assisted by Trade and Commerce, the display was based mainly on Canada's nickel industry with a supporting section on electronic equipment. Besides the display area, a 97-seat cinema showed Canadian films to a capacity audience of approximately 21,000 for the period of the fair.

*International Trade Fair, Zagreb, Yugoslavia*

September 10-25, 1960.

Attendance: 1,500,000

Sponsored by the Department of External Affairs and assisted by Trade and Commerce, this exhibit included products related to Canada's pulp and paper, and agriculture industries, along with a general information section. This was the first time Canada has officially shown at this fair.

*International Engineering Fair, Brno, Czechoslovakia*

September 11-26, 1960.

Attendance: 1,300,000

Space occupied: 1,670 sq. ft.

Sponsored by the Department of External Affairs and assisted by Trade and Commerce, this exhibit featured Canadian electronic and scientific equipment, products of Atomic Energy of Canada Limited, domestic and commercial cooking equipment, chemicals and asbestos. Practically all the items exhibited were sold off the stand.

*Canada Visits Philadelphia*

*Commercial Museum, Trade and Convention Centre, Philadelphia, Pa.*

September 30-November 26, 1960.

Space occupied: 9,780 sq. ft.

Sponsored by the Department of External Affairs, a large informational display was produced. The existing exhibit "Panorama of Canada" was renovated and augmented by products from Atomic Energy of Canada Limited and materials from other sources, including items from Canada's participation in the Brussels World's Fair.

### *Canada Visits Washington*

*Cleveland Park Branch of Washington Library, Washington, D.C.*

December 12, 1960-January 30, 1961.

Space occupied: 1,280 sq. ft.

Sponsored by the Department of External Affairs, the informational exhibit "Panorama of Canada" was transferred from Philadelphia.

### *Department of National Defence*

In addition to the major display prepared for the Canadian National Exhibition, a number of smaller displays dealing with photography, nursing services, dental care, etc. were designed and produced, and other existing displays and models were refurbished.

### *Department of Citizenship and Immigration*

Considerable work in the field of small portable displays was done for this Department.

### *Central Mortgage and Housing Corporation*

Several small displays were designed and produced and existing displays were refurbished.

### *Department of Transport*

A display showing the air services was produced for showing in Western Canada and a number of smaller displays were produced for use at the Uplands and Dorval Airport Terminals.

### *Canadian Government Travel Bureau*

Window displays on the following subjects were designed and produced for the Bureau windows in New York and Chicago: Indian Artifacts, Canadian Hats, New Vacation Brochures, Summer Activities, Canoe Routes, Festivals, Advertising Reprints, Autumn Activities, RCMP, Items from the Baddeck Museum, Eskimo Crafts, Winter Activities.

### *Department of National Health and Welfare*

A twenty-foot display on Canada's Hospital Services was refurbished for showing at the French Canadian Medical Association at Windsor, Ontario, and assistance was rendered in connection with a display at the American Public Health Association in San Francisco.

### *National Gallery of Canada*

Five informational exhibits and various structures were produced for the Gallery. The Merola mural from the Canadian Pavilion at Brussels World's Fair was installed at the Gallery's new premises.

### *Post Office Department*

A number of philatelic displays were produced, including one for an International Philatelic Exhibition in Poland.

### *Canadian Court, Commonwealth Institute*

Planning and preliminary design was well advanced at the end of the year for the production of a new informational and educational exhibit to occupy approximately 4,000 sq. ft. in the new Commonwealth Institute now being built in London, England, to be opened late 1962.



## Appendix "H"

### Tariff Arrangements in Force as at December 31, 1960

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are: Australia, The West Indies, Bahamas, Bermuda, British Guiana, British Honduras, New Zealand, the Federation of Rhodesia and Nyasaland, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with Ceylon, the Federation of Malaya, and Cyprus, and accords preferences to India, Pakistan, Ghana, and Nigeria. These agreements have been modified and supplemented by the GATT. In addition, Canada has a trade agreement with Ireland under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 38 contracting parties to the agreement. The names of these, and the dates of their accession, are given in the table which follows. In addition, Switzerland has acceded provisionally and 8 other countries participate in the work of the GATT. They are Argentina, Cambodia, Israel, Poland, Portugal, Spain, Tunisia and Yugoslavia. Four rounds of major multilateral tariff negotiations have been held under the GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1955-56. A fifth tariff conference opened in Geneva on September 1, 1960.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with the GATT. As an exception, however, the Canada-USA Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT.

Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.



Further particulars regarding tariff agreements and arrangements in force on December 31, 1960 may be summarized as follows:

## 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed Feb. 12, 1960, in force June 30, 1960.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.
	GATT effective Jan. 1, 1948.	
British Caribbean, Bahamas, Bermuda, British Guiana, British Honduras, and The West Indies.	Canada—British West Indies Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.  The West Indies (except Jamaica), Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom.	Canada and Ceylon exchange preferential tariff treatment.
	GATT effective July 29, 1948.	
Cyprus .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom.	Canada exchanges preferential treatment with Cyprus.
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom.	Canada accords British preferential treatment to Ghana, (except on cocoa beans).
	GATT effective Oct. 18, 1957.	Exchange of most-favoured-nation treatment.
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation.	Canada accords British preferential treatment to India.
	GATT effective July 8, 1948.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Malaya, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom.  GATT effective Oct. 24, 1957.	Canada and Federation of Malaya exchange preferential tariff treatment.
New Zealand .....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.
Nigeria, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom.  GATT effective Oct. 1, 1960.	Canada accords British preferential treatment to Nigeria.
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation.  GATT effective July 30, 1948.	Canada accords British preferential treatment to Pakistan.  Exchange of most-favoured-nation treatment.
Rhodesia and Nyasaland, Federation of .....	Trade Agreement signed Feb. 6, 1958; effective Feb. 7, 1958.  GATT effective in Southern Rhodesia, May 19, 1948; extended to whole Federation, Oct. 29, 1954.	Canada exchanges preferential tariffs with the Federation of Rhodesia and Nyasaland.
The West Indies (Trinidad, Jamaica, Barbados, Windward and Leeward Islands)	Trade relations continue to be governed by the Canada-British West Indies Trade Agreement. (see above)	
Union of South Africa ....	Trade Agreement signed Aug. 20, 1932; in force Oct. 13, 1932.  Exchange of notes Aug. 2-31, 1935; effective retroactive from July 1, 1935.  GATT effective June 14, 1948.	Agreement includes schedules of tariff preferences granted by each country. May be terminated on six months' notice.  Exchange of most-favoured-nation treatment. May be terminated on six months' notice.

Country	Agreement	Principal Terms
United Kingdom .....	Trade Agreement signed Feb. 23, 1937, effective Sept. 1, 1937; modified by exchanges of letters Nov. 16, 1938, and Oct. 20, 1947.	Various concessions are granted by each country including exchange of preferential tariff rates. The Agreement (as modified) includes provisions relating to the Colonies, Dependencies and Trustee-ships.

GATT effective Jan. 1, 1948.

## 2. Arrangements with Non-Commonwealth Countries

Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg ....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union)	See Belgium - Luxembourg and Netherlands	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment.
	GATT effective July 31, 1948.	
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Cambodia .....	Franco - Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Cameroons .....	Franco - Canadian Trade Agreement of 1933 applied to Cameroons.	Since the creation of Cameroons as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Central African Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Central African Republic.	Since the creation of the Central African Republic as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chad .....	Franco - Canadian Trade Agreement of 1933 applied to Chad.	Since the creation of Chad as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943.  GATT effective Mar. 16, 1948.	Exchange of most-favoured-nation treatment.
China .....	Modus vivendi signed Sept. 26, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Colombia .....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938.  A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Congo, Republic of (Brazzaville) .....	Franco - Canadian Trade Agreement of 1933 applied to Congo (Brazzaville).	Since the creation of Congo (Brazzaville) as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Congo, Republic of (Leopoldville) .....	Belgo-Canadian Convention of Commerce of 1924 applied to the Congo.	Since the Congo's independence in 1960, Canada has continued to grant most-favoured-nation rates.



Country	Agreement	Principal Terms
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment (excluding preferences accorded by Cuba to the United States).
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Dahomey .....	Franco - Canadian Trade Agreement of 1933 applied to Dahomey	Since the creation of Dahomey as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic ....	Trade Agreement signed Mar. 8, 1940; in force provisionally Mar. 15, 1940, and definitively Jan. 22, 1941.  GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions.
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt (Region of United Arab Republic)	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948.  GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories ....	Trade Agreement signed May 12, 1933; in force June 10, 1933.  Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935.  GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.
Gabon .....	Franco - Canadian Trade Agreement of 1933 applied to Gabon.	Since the creation of Gabon as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947.  GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Guinea .....	As former French territory, participates in GATT; members agree to reciprocal <i>de facto</i> application of agreement for two years.	Since creation of Guinea as independent state in 1959, exchange of most-favoured-nation treatment continued.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.
Israel .....	Canada - United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Ivory Coast .....	Franco - Canadian Trade Agreement of 1933 applied to the Ivory Coast.	Since the creation of the Ivory Coast as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954.  GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council of Mar. 1, 1955.	Canada grants most-favoured-nation tariff rates.

Country	Agreement	Principal Terms
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Malagasy Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Malagasy Republic.	Since the creation of Malagasy Republic as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Mali, Federation of .....	Franco - Canadian Trade Agreement of 1933 applied to Mali.	Since the creation of Mali as an independent state in 1960, Canada has continued to grant most favoured-nation rates.
Mexico .....	Trade Agreement signed. Feb. 8, 1946; in force provisionally same date, Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam.  GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment.
Niger .....	Franco - Canadian Trade Agreement of 1933 applied to Niger	Since the creation of Niger as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.  GATT effective July 10, 1948.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.



Country	Agreement	Principal Terms
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.
Portugal, Portuguese adjacent islands and Portuguese overseas provinces	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Senegal .....	Franco - Canadian Trade Agreement of 1933 applied to Senegal	Since the creation of Senegal as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
	Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.

Country	Agreement	Principal Terms
Sweden .....	United Kingdom - Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.  GATT effective May 1, 1950.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
Switzerland .....	United Kingdom-Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.  Switzerland has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.
Syria (Region of United Arab Republic)	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Togoland .....	Franco - Canadian Trade Agreement of 1933 applied to Togoland.	Since the creation of Togoland as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey .....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.  GATT effective Oct. 17, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Union of Soviet Socialist Republics ....	Trade Agreement signed Feb. 29, 1956, renewed April 18, 1960. Ratifications exchanged Sept. 16, 1960.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase from Canada twice as much as their sales to Canada up to \$25 million annually. At least half of Soviet purchases are to be in wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.

Country	Agreement	Principal Terms
United Arab Republic ....	See Egypt and Syria.	
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT.  GATT effective Jan. 1, 1948.	Most-favoured-nation treatment exchanged.
Upper Volta (Voltaic Republic) ....	Franco - Canadian Trade Agreement of 1933 applied to Upper Volta.	Since the creation of Upper Volta as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953.  GATT effective Dec. 16, 1953.	Most-favoured-nation treatment.
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950, renewed each year.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state in 1955, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom - Serb - Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one years' notice.

## Appendix "T"

### Location of Trade Commissioner Service Offices Abroad as at December 31, 1960

The 63 overseas posts were located in the following territories,  
at the centres indicated:

<b>Argentina</b> Buenos Aires	<b>Guatemala</b> Guatemala City	<b>Rhodesia and Nyasaland</b> Salisbury
<b>Australia</b> Canberra South Melbourne Sydney	<b>Hong Kong</b>	<b>Singapore</b>
<b>Austria</b> Vienna	<b>India</b> Bombay New Delhi	<b>South Africa</b> Cape Town Johannesburg
<b>Belgium</b> Brussels	<b>Indonesia</b> Djakarta	<b>Spain</b> Madrid
<b>Brazil</b> Rio de Janeiro Sao Paulo	<b>Iran</b> Tehran	<b>Sweden</b> Stockholm
<b>Ceylon</b> Colombo	<b>Ireland</b> Dublin	<b>Switzerland</b> Berne
<b>Chile</b> Santiago	<b>Italy</b> Rome	<b>Union of Soviet Socialist Republics</b> Moscow
<b>Colombia</b> Bogota	<b>Japan</b> Tokyo	<b>United Arab Republic (Egyptian Region)</b> Cairo
<b>Congo</b> Leopoldville	<b>Lebanon</b> Beirut	<b>United Kingdom</b> Belfast Glasgow Liverpool London
<b>Cuba</b> Havana	<b>Mexico</b> Mexico City	<b>United States</b> Boston Chicago Detroit Los Angeles New Orleans New York Washington
<b>Denmark</b> Copenhagen	<b>Netherlands</b> The Hague	<b>Uruguay</b> Montevideo
<b>Dominican Republic</b> Ciudad Trujillo	<b>New Zealand</b> Wellington	<b>Venezuela</b> Caracas
<b>France</b> Paris	<b>Nigeria</b> Lagos	<b>West Indies</b> Kingston Port-of-Spain
<b>Germany</b> Bonn Hamburg	<b>Norway</b> Oslo	
<b>Ghana</b> Accra	<b>Pakistan</b> Karachi	
<b>Greece</b> Athens	<b>Peru</b> Lima	
	<b>Philippines</b> Manila	
	<b>Portugal</b> Lisbon	

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine *Foreign Trade*.)





# ANNUAL REPORT

DEPARTMENT  
OF  
TRADE AND COMMERCE

1961





Seventieth

ANNUAL REPORT

Department  
of  
Trade and Commerce  
1961

The Hon. George Hees, *Minister*  
James A. Roberts, *Deputy Minister*

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OTTAWA, April 1, 1962.

To His Excellency Major-General Georges P. Vanier, D.S.O.,  
M.C., C.D.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Seventieth Annual Report of the Department of Trade and Commerce covering the calendar year 1961.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

GEORGE HEES,  
*Minister of Trade and Commerce.*



OTTAWA, April 1, 1962.

The Honourable George Hees,  
Minister of Trade and Commerce,  
Ottawa, Canada.

Sir:

I have the honour to submit the Seventieth Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1961.

Your obedient servant,

JAMES A. ROBERTS,  
*Deputy Minister.*





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## **Part I**

### **Economic and Trade Review**





# ECONOMIC AND TRADE REVIEW

## WORLD CONDITIONS

For the Free World as a whole, 1961 was a year of improving material wellbeing. The early-year sluggishness prevalent in the North American economy quickly gave way to vigorous expansion. There was some slowing of growth in overseas industrial countries but this did not prevent the realization of quite substantial increases in output in 1961 compared with 1960. Real income registered sizable gains in all industrial countries and consumer spending played a significant role in sustaining economic growth. Intensified competitive conditions, fostered by abundant supplies and freer trade, largely counteracted upward pressures on prices and at the same time gave new impetus to the further improvement in production and marketing methods.

Economic conditions in less-developed countries, determined largely by world demand for primary products, showed moderate yet uneven improvement. The trend of world commodity prices, on the whole, remained about level but the terms of trade worsened for a number of primary producers. The demand for grains on the other hand was quite buoyant. Toward the end of the year, expansion in North America contributed to a firmer tone in world commodity price levels.

World trade continued to expand in 1961, though less rapidly than in the two preceding years. Trade among industrial countries maintained a rate of increase above the world average and intra-European trade again led this advance. The relatively sluggish trend of primary commodity sales had a limiting effect upon the growth of foreign earnings, and hence upon imports, of less-developed countries. However, some categories of agricultural exports contributed appreciably to the expansion of world trade, mainly as a consequence of short crops of bread grain and maize in Western Europe and mainland China. Imports into North America, after a hesitant start, moved up sharply in the latter part of the year.

Except in the case of some underdeveloped countries, balance of payments developments in 1961 placed no major obstacles in the way of the further expansion of world trade. The United States realized a considerably reduced deficit on total external account and the outflow of gold was much less than in preceding years. Britain experienced a worsening in its balance of payments position which prompted the introduction of wide-ranging restrictive measures in July. The return flow of funds stimulated by higher short-term interest rates, a substantial drawing from the International Monetary Fund and the subsequent improvement in the current account balance lifted Britain's reserves to about \$3.3 billion at year-end. Largely as a result of special capital outflows and revaluation, West Germany's external account

surplus disappeared but Western European countries as a whole experienced a further accumulation of reserves. In Japan a difficult balance of payments situation re-emerged with the continuation of rapid economic growth. Meanwhile, in the International Monetary Fund new initiatives were directed toward the further improvement in credit arrangements designed to help member countries through situations of external financial stringency.

## ECONOMIC CONDITIONS IN CANADA

In Canada the business tempo began to quicken in the spring of 1961 and for the rest of the year economic activity moved strongly ahead. By the end of the year industrial production had increased by 9 per cent from the level of the first quarter. Gross National Product also moved up sharply during the year but because of the hesitant trend of activity prior to the spring upturn and a poor grain harvest, the increase from 1960 to 1961 was relatively moderate.

Total employment increased, on average, by 1.6 per cent between 1960 and 1961 but by December the margin of increase had widened to 3 per cent. Over the course of the year the growth in job opportunities exceeded new job seekers and unemployment declined. By December there were 22 per cent fewer jobless persons in Canada than in the same month of the preceding year.

Income growth accelerated during 1961. By the end of the year labour income was running 6 per cent above the level of one year previous. Corporate profits turned upward early in the year and by the fourth quarter had moved into new high ground. Other forms of personal and business income also moved upward. Cash receipts to farmers were higher for the year as a whole, though adversely affected by the low Prairie grain crop. The stronger upward trend of total personal income gave new strength to the consumer market. Particularly notable was the upturn in sales of automobiles and other durables in the latter part of the year.

An important factor contributing to expansion in 1961 was the further strengthening in Canada's trade position. This improvement reflected not only higher exports but also increased reliance in the home market upon domestic as opposed to foreign sources of supply in a number of fields including automobiles, appliances, textiles and iron and steel products. All in all, Canada's trade performance in 1961 indicated that Canadian producers were making significant headway in the further penetration of both home and foreign markets. New federal measures contributing to this end included the change in exchange rate policy resulting in a lower external value of the Canadian dollar, the extension of new credit facilities to capital goods exporters which brought an energetic response from Canadian producers, and an all-out trade promotional programme conducted by the Department of Trade and Commerce designed to bring to the Canadian businessman a greater awareness of opportunities in foreign markets and also to help in the search for new avenues of economic production and development. Other new measures contributing to business growth included the provision of guaranteed bank loans to small

business; extension of the operations of the Industrial Development Bank; the provision, under income tax regulations, of accelerated depreciation for specified categories of capital outlays; and the establishment of new arrangements providing for increased attention to product design.

Residential construction activity strengthened in 1961, housing starts amounting to 126,000 compared with 109,000 in 1960. Easier terms under the National Housing Act, together with greater availability of mortgage funds contributed to this upturn. Meanwhile, institutional and public construction continued to expand. Special federal measures which helped to round out local public investment programmes included the provision of financial assistance for such purposes as technical education, sewage projects, university residences and the extended municipal winter works programme. Business outlays on plant and equipment, though adversely affected by the preceding business lull, turned upward at mid-year. Total capital spending, though down slightly for 1961 as a whole, had become a significant expansive force by the latter part of the year.

The effects of the general acceleration in business conditions during 1961 permeated all major sectors of industry. The most notable improvement occurred in manufacturing which provided nearly one-half of the 180,000 increase in total employment realized over the course of the year.

Among major resource-based industries, oil and natural gas showed the most marked advance. In line with the objectives of the National Oil Policy, production of petroleum increased by 16 per cent between 1960 and 1961. Natural gas production rose by one-fourth, reflecting sharply increased exports by pipeline. Year to year output gains were also realized in nickel, asbestos, titanium oxide, woodpulp, fir plywood and most chemical products. There was no notable change in the case of lumber, newsprint, copper and zinc. Iron ore production was down for the year as a whole but recovered sharply in the later months. Moreover, the higher grade of iron ore raised the dollar value of production to the 1960 level. Uranium output was lower, in line with delivery schedules applicable under existing contractual arrangements. Both production and imports of coal were at a lower level.

After a slow start, operating rates in the iron and steel industry rose sharply in the spring and summer of 1961 and output for the full year exceeded the previous 1959 record level by 4 per cent. The further rounding out of productive capacity in the industry along with higher exports contributed to this expansion in output.

Despite improving order positions toward the end of the year, 1961 output in Canada's equipment-producing industries fell short of performance in the preceding year. On the other hand, the late 1961 upsurge in motor vehicles and appliances brought output in consumer durables about even with the 1960 level. In the case of automobiles, the share of the Canadian market held by European-type cars declined from 28 per cent in 1960 to 23 per cent in 1961. Among other consumer-based industries significant gains were realized in textiles, clothing, leather footwear and foods and beverages.



Meanwhile, the service trades gave evidence of further expansion in 1961 although the rise in employment in this area was less than in the immediately preceding years.

All in all, operating rates in Canadian industry had shown an appreciable improvement by the end of 1961. To a large extent this expansion resulted from generally higher demand but in a number of industries it reflected also further market penetration both domestically and abroad.

## CANADA'S FOREIGN TRADE

Canada's merchandise trade, both export and import, reached new heights in 1961. However, exports rose more than imports bringing a further improvement in the trade balance. As a result Canada's merchandise trade, for the calendar year, moved to a surplus position for the first time since 1952. Both export and import prices moved up moderately during the year, reflecting, for the most part, the decline in the external value of the Canadian dollar.

Summary Statistics of Canada's Foreign Trade<sup>(1)</sup>  
(Millions of Dollars)

	1960	1961	Percentage Change 1960 to 1961
Value of Trade			
Exports (including re-exports).....	5,387	5,896	+9.4
Imports.....	5,483	5,771	+5.3
Balance of Trade.....	-96	+125	

<sup>1</sup> Statistical detail on Canada's trade, by commodity and country, is available in *Trade of Canada, Review of Foreign Trade*, and other periodic publications of the Dominion Bureau of Statistics. Trade figures referred to in this section are subject to revision.

Substantially higher wheat shipments were a major factor in the growth in exports in 1961. At the same time there was an encouraging growth in exports of manufacturing products. In addition to large deliveries on aircraft orders, significant increases were realized in such categories as industrial machinery, electrical apparatus, cotton products, and manufactured wood products. Exports of industrial materials were adversely affected early in the year by a slow pace of business in the United States. Nevertheless, the subsequent improvement in the United States market together with a further increase in shipments to some overseas countries raised total 1961 sales of mineral and forest products a little above the level of the preceding year.

Looking at the geographic distribution of Canada's foreign sales, most of the increase in exports in 1961 went to non-Commonwealth overseas



countries. This market accounted for nearly one-quarter of Canada's total exports in 1961 compared with one-fifth in 1960 and 17 per cent in 1959. Within this group of countries, much the largest increase occurred in sales to the six countries of the European Economic Community, Japan and the communist countries, the latter as a result of large shipments of wheat and grain. Exports to Britain and also to the rest of the Commonwealth declined slightly in 1961 while the share of Canada's exports going to the Commonwealth fell to 21 per cent. Despite the depressed conditions prevailing in the United States early in 1961, sales to this market subsequently picked up sharply and for the year as a whole were moderately above the 1960 level. Nevertheless, the share of Canada's exports sold in the United States declined from 56 per cent in 1960 to 54 per cent in 1961.

Substantial outlays for aircraft accounted for much of the increase in Canada's imports in 1961. Significant increases also occurred in purchases of industrial machinery and various consumer goods. Geographically, purchases from each of the major supplying areas rose moderately between the two years. Accordingly, the proportion of Canada's imports coming from each of these areas changed very little. The Commonwealth continued to supply about one-sixth, and the United States about two-thirds, of Canada's total merchandise imports.

The larger increase in exports than in imports brought a further improvement in Canada's commodity trade balance, from a deficit of \$96 million in 1960 to a surplus of \$125 million in 1961. Canada's trade deficit with the United States changed slightly from \$650 million to \$648 million; the surplus with the Commonwealth declined from \$387 million to \$333 million; while the surplus with all other countries rose from \$167 million to \$440 million. After adjustment to include transactions of a financial character only, as required for the purpose of calculating the balance of payments, Canada's merchandise trade position with all countries shifted from a deficit of \$148 million in 1960 to a surplus of \$173 million in 1961. The improvement in Canada's balance on merchandise trade more than offset the further increase in the "invisible" deficit thus reducing the deficit on all current transactions from \$1,243 million in 1960 to \$982 million in 1961.

## INTERNATIONAL TRADE DEVELOPMENTS

### General

In 1961 international commercial relations were marked by significant developments in the field of economic regionalism. Of particular importance for Canada was the decision of Britain to apply for membership in the European Economic Community. Negotiations between the members of the EEC and Britain have been in progress in Brussels since last October with a view to finding accommodations for Britain within the framework of the Rome Treaty. The negotiations are of major importance to Canada in view of our large trading interest at stake in the British market. The Canadian

Government continues to attach the greatest importance to the assurances by Britain that she will seek adequate safeguards for Commonwealth interests in the course of these negotiations. The Canadian authorities are providing the British negotiators with full information respecting all sectors of Canadian trade with Britain.

In the closing month of 1961, Denmark and Ireland also applied for membership in the EEC. Applications for association have also been submitted by the three neutrals of the European Free Trade Association: Austria, Switzerland and Sweden, as well as by Turkey and Spain. On July 9, Greece became associated with the EEC through a special agreement of association looking to eventual membership.

Agreement was not reached by the Six with regard to the Common agricultural arrangements during 1961. The member countries did, however, proceed to a further reduction of 10 per cent with respect to their internal tariffs. These tariffs have now been reduced among the Six by 40 per cent for industrial products, 30 per cent for liberalized agricultural products, and 35 per cent for those agricultural products still subject to import restrictions. During the year, the EEC countries took the first step to align their tariffs to the Common External Tariff through the elimination of 30 per cent of the difference between national tariff rates and rates in the Common External Tariff. The Community also made some progress in the establishment of common transport and commercial policies, the free movement of labour and capital, and the regulation of restrictive trade practices. Members of the other European grouping—European Free Trade Association—also proceeded to a further 10 per cent reduction in their internal tariffs, bringing the total elimination of such tariffs in the industrial field to 40 per cent of the rates originally in force in the member states.

In Latin America, Argentina, Brazil, Chile, Mexico, Peru, Paraguay and Uruguay completed the first phase of tariff concessions with a view to creating a Latin America Free Trade Area within 12 years. In addition, Ecuador and Colombia acceded to the Agreement but had not concluded their tariff negotiations by the end of the year. In Central America some further steps were taken during the year towards the creation of a Central American Common Market among the six countries of the area.

During the course of the year, the Convention of the new Organization for Economic Co-operation and Development was ratified by its twenty member countries, and the organization itself officially came into being on September 30. Under the chairmanship of Canada's Minister of Finance, Mr. Fleming, the OECD Council has moved quickly to establish the various subsidiary organs necessary to carry out the aims and objectives of the new body. These are, in summary, to achieve high levels of economic growth and employment in member countries, to contribute to sound economic expansion in both member and the less-developed non-member countries, and to contribute to the expansion of world trade on a multilateral and non-discriminatory basis. Among the more important committees which have been set up

in Paris with these ends in view are those dealing with economic policy, trade and development assistance. Canada and the United States are full members of the OECD.

In the multilateral field, intensive negotiations involving international trade were conducted under the GATT. These were with respect to the level of the Common External Tariff of the Six and, in addition, involved a further round of tariff reductions between the contracting parties of the GATT. The negotiations were still in progress at the end of the year. In addition, in conjunction with the 19th Session of the GATT, a meeting of Trade Ministers was held in November. Ministers agreed on a further programme of work looking to new techniques of international tariff negotiations, increased export opportunities for countries in the process of economic development and new procedures to find ways and means of expanding opportunities for trade in agricultural products.

### Canada and the Commonwealth

There were four significant changes during the year which had important implications for Canadian trade relations with the Commonwealth: developments in connection with regional trading arrangements in Europe; the decision of Jamaica and Trinidad to withdraw from a West Indian Federation; changes affecting African members of the Commonwealth; and major gains in Canadian sales to a number of Commonwealth markets.

By far the most important of these developments was the formal application of Britain, on August 9, 1961, for membership in the European Economic Community. Negotiations have been in progress in Brussels since last October with a view to finding accommodations for Britain within the framework of the Rome Treaty. The negotiations are of major interest to Canada, in view of the large Canadian trading interest in the British market. At the present time Canada enjoys generally unrestricted free entry into the British market and in many cases preferential tariff access in competition with non-Commonwealth suppliers.

Britain, as one of the seven members of the European Free Trade Association, made a further reduction in its industrial tariff from 20 per cent to 30 per cent in favour of its partners in this trading group, effective July 1, 1961. A further cut of 10 per cent is proposed for March 1, 1962. In addition, the duties on a few agricultural imports originating in the EFTA area—including bacon and canned pork luncheon meat—were completely removed. These tariff changes have narrowed, or eliminated, the preferences enjoyed by certain Canadian goods over those supplied by member countries. The principal items affected are wood and paper products, a few steel products, some chemicals and synthetic textiles which Canadian producers sell in competition with members of the Seven.

During the year there were important developments in the West Indies. A plebiscite was held in Jamaica on the question of whether or not to continue as part of the West Indies Federation, established in 1958. As a



result of the plebiscite the Jamaicans decided to withdraw from the Federation, and are scheduled to become independent on August 6, 1962. Trinidad has also announced its intention to withdraw from the Federation. The position of the other Islands has not yet been decided. Talks covering various matters relating to the Canada-West Indies Trade Agreement, including the Common External Tariff of the proposed West Indies Customs Union, took place in Port-of-Spain, Trinidad, during August 1961. These envisaged the ultimate negotiation of a new trade agreement, but further discussion will have to await clarification of the existing situation in the area. Meanwhile, trade between Canada and the West Indies will continue to be conducted in accordance with the terms of the existing Trade Agreement which provides for tariff preferences on Canadian goods, and, in most cases, for free entry or low rates of duty on items of particular importance.

During 1961, three of the African members of the Commonwealth underwent changes of status, with two members achieving independence and one withdrawing. Sierra Leone became independent on April 27, and Tanganyika on December 9 while South Africa left the Commonwealth on May 31. Trade between Canada and South Africa continues to be governed by the terms of the existing trade agreement between the two countries.

Close consultation was maintained between Commonwealth countries on trade and economic matters during 1961. In addition to the meeting of Commonwealth Prime Ministers in March there was a meeting in Ghana on September 11 at the Ministerial level of the Commonwealth Economic Consultative Council. There were also Commonwealth meetings with respect to matters of common interest including Britain's application to join the European Common Market.

Canada's total trade with Commonwealth countries during 1961 exceeded \$2 billion, slightly higher than in 1960. Preliminary annual figures indicate exports to the Commonwealth in 1961 at \$1.24 billion were slightly lower than those recorded in 1960. Commonwealth countries took 21 per cent of Canada's total exports in 1961 as compared with 23 per cent in the previous year. Imports from Commonwealth countries were a record \$917 million in 1961, up 6 per cent from 1960.

Britain maintained her dominant position, taking 74 per cent of Canadian exports to the Commonwealth, the same proportion as during the previous year. Exports to Britain were \$919.9 million, down fractionally from \$924.9 million during the preceding year. There was a significant change in the structure of our trade with Britain during 1961 involving substantial increases in sales of manufactured products and declines for certain ores and metals, barley and newsprint. Exports of manufactured products at \$21.7 million for the first ten months of 1961 increased 48 per cent over the same period in 1960. This category includes a wide range of machinery and manufactured consumer goods and the increase reflects the efforts of Canadian manufacturers to re-enter the British market following the removal of most import controls by the beginning of 1960.



There were major gains in Canadian exports to a number of other Commonwealth markets during the first ten months of 1961. Sales to New Zealand amounting to \$28 million were up 54 per cent although tightened import controls were curtailing sales at the end of the year; sales to the West Indies at \$29 million were up 23 per cent; sales to India at \$32 million were up 7.5 per cent. In a number of smaller markets Canadian sales increased substantially. These included Ghana, Nigeria, Ceylon, Pakistan, Malaya and Singapore, the Bahamas, and the Republic of Ireland. Only in the case of the Republic of South Africa, British Guiana, Hong Kong, Australia and Rhodesia and Nyasaland were there substantial declines in exports. In the case of British Guiana, the decline was due in part to non-recurring exports of capital equipment for the alumina plant in 1960 which substantially increased exports to that country. In Australia, an inventory build-up following the removal of most import restrictions in February 1960 resulted in an unusually high level of imports. The imposition of credit restrictions in the autumn of 1960 reduced the demand for imported goods during 1961. Reduced sales of wheat to the Republic of South Africa and the introduction of austerity measures contributed to the decline in our exports to that country.

During 1961 only a few items were subject to import control in Britain, Australia, the West Indies, Rhodesia and Nyasaland, Malaya, Singapore and most of the British Colonial Territories. During the year Britain freed some of the few items remaining under control including canned fruit other than apples. New Zealand import restrictions were severely tightened in April and June. Ghana reimposed controls on almost all imports but without discrimination against dollar suppliers. Balance of payments restrictions were intensified by South Africa with a reduction in mid-year of more than 50 per cent in the quotas for luxury and consumer goods. Extensive import controls were maintained by India and Pakistan, but neither country discriminates against dollar sources of supply.

### Canada and the United States

An exchange of visits by the Prime Minister of Canada and the President of the United States provided opportunities for consideration at the highest levels of trade and economic matters.

Prime Minister Diefenbaker visited Washington on February 20, when the two leaders re-emphasized the importance of close consultation between the two countries and referred to the importance they attach to the opportunity afforded Canadian Ministers and United States Secretaries to confer regularly in the Joint United States-Canada Committee on Trade and Economic Affairs.

President and Mrs. Kennedy visited Ottawa from May 16 to 18. This was the President's first journey outside the United States since inauguration.

The President and Prime Minister exchanged views on how to achieve satisfactory trading relations with the European Economic Community, and noted the interest of both countries in promoting employment and a general expansion of world trade.

Canada's domestic exports (excluding re-exports) to the United States in 1961 were a record \$3,091 million, a gain of more than 5 per cent over 1960, according to preliminary figures. It was the second year that Canadian sales to the United States exceeded \$3 billion, topping the previous record of \$3,083 million in 1959. Imports from the United States last year were \$3,874 million compared with \$3,693 million in 1960. Total trade between the two countries in 1961 (at \$6,965 million) approached the record total of 1956 (\$6,980 million). The total five years ago, however, was accounted for by lower values of domestic exports and higher values of imports, \$2,818 million and \$4,162 million respectively.

The two countries continued to be each other's best customer and continued to pay close attention to developments in the commercial policy field affecting their mutual interests. The sixth meeting of the Joint United States-Canada Committee on Trade and Economic Affairs was held in Washington on March 13 and 14. Because this was the first meeting of the Cabinet Committee since the new United States Administration took office, there was a comprehensive review of basic economic relationships between the two countries. The Committee reviewed the balance of payments situation of each country, including its effect on their mutual trade relations. It recognized the need for continued progress toward international balance through reduction in basic deficits and basic surpluses. This regular meeting of Ministers was supplemented by a special visit at ministerial level early in the year, shortly after the new United States Administration took office, to discuss problems of oil marketing. The United States mandatory control of oil imports, designed to avoid impairment of the national security, remained in effect during 1961. Canadian oil imported into the United States by overland means of transportation continued to be exempt from such regulation.

Some United States import restrictions affecting Canadian products were removed in 1961, namely the import fee on flaxseed and linseed oil, and quotas on rye, rye flour and meal. United States Tariff Commission investigations into imports of other products, such as baler and binder twines, alsike clover seed and creeping red fescue seed resulted in no change in our terms of access. The Tariff Commission reviewed existing import quotas on cheddar cheese but recommended no change, and so far the quota remains unchanged. The principal restrictions still remaining on Canadian products at year's end were quotas on cheddar cheese, certain other dairy products, lead and zinc. In October, a new law in the United States provided for limited subsidies to lead and zinc mines regularly producing 3,000 tons or less of the two items combined (Small Mines Subsidy Act). Some \$16.5 million were made available for such subsidies over a four-year period.

During 1961 Canada participated with the United States and other countries in the fifth tariff conference held under the auspices of the General Agreement on Tariffs and Trade in Geneva. At year's end the Conference was not concluded.

The Tariff Classification Study which had been submitted to Congress in 1960 continued to occupy attention last year. Congress in 1954 had directed the Tariff Commission to simplify and consolidate existing customs laws without suggesting changes in rates of duty if possible. Inevitably, as in any revision, proposals involving some changes were made. Canadian exporters affected by these changes were invited to make their views known to the Tariff Commission. Later, a supplemental report was issued modifying the original recommendations of the Tariff Commission. This report was also submitted to Congress where a Bill was introduced in the House Ways and Means Committee, which Committee then requested the views of all interested persons. These views were heard in a public hearing in November last year, at which time interested Canadian exporters were able to make valuable contributions to the deliberations.

In September 1961, the United States Customs extended the Advisory Service which had been established in 1956 to provide Canadian shippers or prospective shippers with expert advice on United States Customs regulations. This service, which has been provided by the United States Appraiser at Buffalo since 1956, has done much to help Canadian exporters in resolving problems of various kinds and in that way to facilitate an improvement in trade and trade relations with the United States. Last year, the Appraisers in Boston, Detroit, Minneapolis and Seattle were also authorized to provide this special service to Canadian enquirers.

Toward the end of 1961, it was clear that the United States Administration was preparing to seek renewal of trade legislation in 1962 on a new and broader basis. The nature of the Administration's initiative was confirmed at the 7th meeting of the Joint Committee on Trade and Economic Affairs, held in Ottawa on January 13, 1962. At that time the United States members of the Committee explained that the purpose of the trade expansion programme was to make a greater contribution to the growth of international trade on a multilateral basis, and thus to contribute to the prosperity and strength of the free world.

### Canada and Western Europe

Trade and economic relations with Western Europe continued to be dominated by further developments in the field of European regionalism during 1961. Of particular significance was the decision of five of the seven members of the European Free Trade Association to seek full or associate membership in the European Economic Community. Britain and Denmark have applied for full membership. Sweden, Switzerland and Austria have



applied for associate membership. Among countries not members of the EFTA, Ireland has applied for full membership and Turkey and Spain for associate membership.

During the year, discussions continued among the members of the Common Market concerning implementation of the various aspects of the Rome Treaty, which is the basis of the European Economic Community. On January 11, 1962, the Community undertook the fourth round of internal tariff reductions, bringing total cuts to 40 per cent for industrial products, 30 per cent for liberalized agricultural products and 35 per cent for those agricultural products still subject to import restrictions.

On tariffs applying to industrial imports from third countries, EEC members took the first step in adjusting national tariffs by 30 per cent upwards or downwards toward the level of the common tariff. Agricultural items have also been aligned towards the Common External Tariff although certain products were excluded pending decisions on a Common Agricultural Policy. The Community also moved ahead with the implementation of the provisions of the Rome Treaty related to common transport and commercial policies, the free movement of labour and capital, and the regulation of restrictive trade practices.

During 1961, negotiations were concluded for a Treaty of Association between the EEC and Greece under Article 238 of the Rome Treaty with a view to Greece eventually becoming a full member.

After extensive negotiations throughout the year, the Council of Ministers of the EEC announced on January 14, 1962, decisions concerning certain aspects of the Common Agricultural Policy. The Council has issued regulations for the market organization of grain, pork, poultry, eggs, fruits, vegetables and wines. In addition, it adopted decisions governing the financing of the Agricultural Fund, the application of rules of competition in the agricultural sector, a minimum price system, treatment of processed agricultural products and principles outlining the type of market organization to be adopted later for beef, dairy products and sugar. The establishment of a single market in agriculture will be progressively implemented over a period of seven and a half years.

Members of the European Free Trade Association proceeded to a further 10 per cent reduction in their internal tariffs bringing the total elimination of such tariffs in the industrial field to 40 per cent.

In the multilateral trade field Canada participated in extensive tariff negotiations which were conducted under the GATT in two phases. The first dealt with the level of the Common External Tariff of the EEC. In the second phase, known as the "Dillon Round", the EEC, for the first time as a single unit, negotiated tariff reductions with a number of Contracting Parties to the GATT. The negotiations were still in progress at the end of the year.

Canada joined with its European trading partners in the Organization for Economic Co-operation and Development which came into being during the course of the year. While Canada was associated with the OEEC, the



forerunner of the OECD, Canada is now a full member of this new organization designed to facilitate even closer economic co-operation between its European and North American members.

Canadian exports to Western Europe in the first ten months of 1961 increased by \$51.3 million over the previous year, a growth of over 10 per cent. Of particular note was the growth in our exports to the Federal Republic of Germany, France, Italy, Portugal and Spain. Norway and Austria took steps to remove most of their remaining restrictions previously maintained for balance of payments reasons.

### Canada and Other Countries

There were also important developments in Canada's trade and commercial relations with other areas.

In 1961 there was further growth in the trade between Canada and Latin America. The value of Canadian exports to Latin America in 1961 increased sharply over the 1960 level. Exports to that area in 1960 amounted to \$184 million. For the first nine months of 1961, they were running 30 per cent ahead of last year and the trend is expected to continue. Principal increases were to Argentina and Brazil. During the year the Montevideo Treaty establishing the Latin American Free Trade Association was ratified by the original seven members (Argentina, Brazil, Chile, Mexico, Paraguay, Peru, Uruguay), and acceded to by Colombia and Ecuador. Late in the year these countries entered into tariff negotiations as provided for in the Treaty which calls for the gradual elimination of internal tariff and other barriers to trade among the member countries over a 12-year period. These negotiations resulted in tariff reductions affecting some 2,400 items ranging from 10 to 20 per cent. The reductions became effective January 1962.

In Central America, the general treaty of Central American Economic Integration, which aims at a common market within five years, entered into force June 3, when it became valid for El Salvador, Guatemala and Nicaragua. Honduras has signed, but not yet ratified the agreement. With a few exceptions, duty-free treatment has been accorded to all products originating in the area and traded among member countries.

Canada's growing interest in Latin America was indicated on October 5 when Canada became a full member of the United Nations Economic Commission for Latin America (ECLA) after having maintained observer status for a number of years. This regional commission is designed to raise the level of economic activity in Latin America and the adjacent participating territories in the Caribbean.

Canadian exports to Japan for the first ten months reached the record level of \$190 million, a gain of 30 per cent over 1960. Japanese sales to Canada also increased. They were up 4 per cent, from \$91.8 million to \$95.6 million (ten months). Extensive negotiations were undertaken by the Government concerning Japanese import restrictions still being maintained against Canadian goods and Japanese voluntary export restraints to the Canadian

market. Canadian-Japanese trade relations were strengthened by an exchange of visits between Mr. Hayato Ikeda, Prime Minister of Japan and the Rt. Hon. John G. Diefenbaker, Prime Minister of Canada. During their meeting in Ottawa in June, the two Prime Ministers agreed that in view of the increasing importance of Canadian-Japanese relations there should be established a Canadian-Japanese Ministerial Committee which would not be a negotiating body but would provide a valuable means of contact between Ministers of the two countries. The activities of the committee would consist primarily of visits of Ministers to each other's country from time to time to exchange views on matters of common interest, particularly in the economic field and to familiarize themselves with the problems of the other country. In addition, two trade missions from Japan, composed of senior executives drawn from Japanese trade, industrial and financial circles, visited Canada during the year.

In March, following extensive negotiations in Winnipeg, Hong Kong and Peking, an agreement was signed covering the sale to Communist China, over a period of 2½ years and subject to mutually acceptable prices and terms, of up to six million tons of Canadian wheat, barley and flour. The first contracts entered into under the agreement were with respect to Chinese purchases of wheat and barley during 1961 to the value of approximately \$140 million. During the months of October and November a Chinese trade mission visited Canada with a view to increasing Canadian-Chinese trade.

Canada's trade with Eastern Europe in 1961 increased substantially owing largely to wheat shipments to Czechoslovakia, Poland and U.S.S.R. In addition, Eastern European countries continued to show interest in supplies of essentially raw materials, particularly metals from Canada. Imports into Canada from Eastern Europe continued at relatively low levels.

Under the Canada-U.S.S.R. Trade Agreement, renewed for a three-year period effective April 18, 1960, the Soviet Union undertakes to purchase from Canada twice as much, by value, as Soviet sales to this country up to a maximum of \$25 million. At least one-half of the guaranteed Soviet purchases are to be in wheat. Annual consultations provided for under the agreement were held in Ottawa in July. The representatives of the two countries noted that there had been an increase in trade in both directions over the past year and it was recognized that there were possibilities for further expansion on a mutually advantageous basis.

Canada's trade with Poland and Czechoslovakia continued to be conducted on a m.f.n. basis. Czechoslovakia is a member of the GATT and Poland is associated with that body under arrangements made in 1960.

Increased interest in trading with Canada was shown by Hungary, Rumania and Bulgaria during 1961. Trade missions were received from these countries in the course of the year.

During the year, Yugoslavia introduced exchange reform measures as well as a new tariff. Canada's trade with Yugoslavia during the first eleven months increased by 50 per cent over 1960.

## INTERNATIONAL COMMODITY CONFERENCES AND AGREEMENTS

### Coffee

The International Coffee Study Group, situated in Washington, D.C., includes representatives from 33 countries and provides a forum for the discussion of problems relating to international trade in coffee and the compiling of statistics on crops and supplies. Canada is a member of this Group and is represented by members of the Department of Trade and Commerce stationed in Washington.

During 1960, the Coffee Study Group distributed a world study on coffee which resulted in a special committee being formed in 1961 to draw up a Draft International Agreement which is to be considered in mid-year 1962.

The present International Coffee Agreement is composed only of 28 producing countries and is renewed annually. The proposed new Agreement would include the major importing, as well as exporting, countries and have a duration of five years.

The proposed International Coffee Agreement will be considered at an International Conference to be convened by the United Nations in New York in June, 1962. Recognizing the relationship of the trade in coffee to the economic stability of markets for industrial products, the major objective of the proposed Agreement is to stabilize coffee prices so as to ensure adequate supplies of coffee to consumers and markets for coffee to producers at equitable prices.

As a member of the Coffee Study Group, Canada will be invited to participate in the United Nations Negotiating Conference.

### Cotton

The International Cotton Advisory Committee was founded in 1939 and has at the present time thirty-five member countries. The membership is made up of both users and growers of cotton and is open to all nations. In addition to an Annual Plenary Meeting, there are monthly meetings in Washington of a Standing Committee of which Canada is a member.

The function of this body is to observe and to keep in close touch with developments in the world cotton situation, and to advise the governments represented of any measures the Committee considers suitable and practicable to effect stability in world cotton markets.

During the last Plenary Meeting held in Tokyo, no difficulties arose during the proceedings, mainly as a result of the high level of demand for raw cotton throughout the world. This enabled exporting countries to dispose of their crops at fairly satisfactory prices. At the meeting the U.S.S.R. expressed interest in becoming a member. The membership of this country will depend upon satisfactory information being supplied by



the U.S.S.R. authorities on their cotton situation and on other requirements set out in the by-laws of the International Cotton Advisory Committee.

The statistical data and information disseminated by the International Cotton Advisory Committee are very useful to the Department as well as the Canadian Primary Textile Industry. This source of information on cotton statistics in the principal producing and consuming countries is recognized as being the most authoritative available.

### **Coniferous Lumber**

Canada was represented by the Commercial Secretary (Timber) in London at the Conference of the European Coniferous Lumber Industry held in Hamburg, West Germany, in October 1961. This Committee examines European softwood lumber import requirements with special emphasis on the overall domestic and import supply position and the effects these have on the market stability of the European lumber trade.

### **Lead and Zinc**

The Third and Fourth Sessions of the International Lead and Zinc Study Group were held in Mexico City in March and in Geneva in October. Delegates from 23 countries attended both meetings. In view of Canada's interest as a major world supplier, a Canadian delegation of government and industry representatives participated in the work of the Study Group. The discussions of the Study Group were directed towards both short and long-term problems of the lead and zinc industry, with emphasis on the current outlook as was developed in the supply and demand statistical analysis made at each Session.

In considering the short-term outlook, the Study Group at both Sessions decided that zinc production and consumption were in reasonable balance, but that there was a continuing imbalance in the supply and demand for lead. Prior to the Third Session, Canadian industry announced its intention to curtail lead ore production in an effort to restore a better balance in the supply and demand position. This was drawn to the attention of the Study Group at Mexico City, and in view of voluntary adjustments of lead supply by some other countries, the Group concluded that some improvement in the lead market could be expected in 1961. At its October Session, the Group indicated that world lead production was greater than had been forecast earlier in the year, and that over-supply was, therefore, a continuing problem. It noted that arrangements had been made between certain lead producing companies and the United States Government for the barter of excess stocks of lead for United States agricultural surpluses. Arrangements were made for the Study Group to meet again in March 1962 in Geneva for a further review of lead and zinc markets.

The Study Group at its Third Session appointed a special working group to examine the long-term problems of the lead-zinc industry and



possible solutions. Delegates from 11 countries, including Canada, met in New York in June and again in Geneva in October and prepared a report entitled *Instability of the Lead and Zinc Markets and Possibilities of Solution*. In considering this report, the Study Group selected a number of specific problems on which more detailed and comprehensive studies might be made.

The work of improving the availability, speed of collection and comparability of statistics continued at both Sessions. This important phase of the Study Group's problems has resulted in the compilation of a comprehensive statistical bulletin which it was decided at the October meeting should be given wide public distribution early in 1962.

The Study Group at its Fourth Session in Geneva in October elected the head of the Canadian delegation as its chairman for the year of 1962.

### **Pulp and Paper**

As an associate member of the Pulp and Paper Committee of the Organization for European Economic Co-operation, Canada has supplied trade statistics on capacity, production, imports, exports and consumption of pulp and paper. In October of 1961 the organization was superseded by the Organization for European Co-operation and Development in which Canada became a full member. Canada is continuing to supply trade statistics and her delegate attended the 34th Session of this newly named organization's Pulp and Paper Committee, held in Paris in November 1961.

### **Rubber**

The International Rubber Study Group provides an informal forum where member countries can discuss rubber problems and keep the world situation under continuous review. The Group undertakes studies of the world rubber position with regard to the production and use of natural, synthetic and reclaimed rubber. It also considers how best to deal with any special difficulty which may exist or may be expected to arise and, as a result, may submit reports and recommendations on the subject to member governments. Membership of the Group increased to 24 countries in 1961 with the addition of Nigeria and India.

A full meeting of the Group was not held in 1961 and the work was conducted through the normal Management Committee meetings. Canada was represented at two of the four meetings held, when the agenda contained subjects of particular interest to this country. Further consideration was given during the year to the problem of obtaining more complete statistical information from all countries as well as to the problem of reducing price fluctuations of natural rubber.

The natural rubber market was comparatively stable during 1961 with little variation in prices during the entire year. Natural rubber production and

consumption continued at near-record levels. Synthetic rubber production and consumption were at record highs with prices continuing to exert a stabilizing influence on the entire rubber market.

The next Group meeting will take place in Washington in the spring of 1962, at which time a symposium will be held to discuss future market prospects for synthetic and natural rubber. Canadians will be actively participating in this symposium.

## Sugar

The International Sugar Agreement (1958) provides for a review to be held two years before the expiration of the Agreement in 1963. This Review Conference, convened at the invitation of the Secretary-General of the United Nations, opened in Geneva on September 12 with 62 countries and organizations participating, 12 of them as observers. A delegation from Canada participated, led by the Director of the Agriculture and Fisheries Branch.

The purpose of the Conference was to review quotas of exporting countries and the general operation of the Agreement. Considerable progress was made in clarifying the Agreement by textual changes, and proposals were agreed to, providing greater flexibility to the operation of the International Sugar Council. Additional articles were proposed to enable the Council to carry out an annual review of the sugar situation and to create a broader basis for consultation. This would strengthen the provision, which has been supported by Canada at previous conferences, for the examination of national sugar policies.

The major purpose of the Conference was to examine the system of quotas for the export of sugar with a view towards adjusting these as a consequence of the structural change which had taken place in the sugar market in the course of the preceding year.

A common ground of agreement could not be reached, and the Conference was adjourned from October 23 to December 11. During the period of adjournment, the Chairman of the Conference and representatives of exporters and importers visited five world capitals to try to seek from the regional governments concerned a formula which would be acceptable to all members. A meeting was held in Ottawa of delegates from Western Hemisphere countries.

When the Review Conference was reconvened in Geneva, it was found that negotiations had been to no avail and a re-allocation of export quotas could not be decided on. At this point, negotiations were abandoned and it was accepted that the export quota provisions of the Agreement would become inoperative effective January 1, 1962.

The Conference was adjourned by resolution for an indefinite period and may be reconvened at any time where there is a possibility that the situation can be resolved satisfactorily. The International Sugar Council,

which still remains in being, has been instructed to commence work directed towards this end or, at the least, the convening of the full scale Conference in 1963 when a new Agreement will be considered to replace that of 1958.

During the year, the Department's Agricultural Counsellor in London attended meetings of the International Sugar Council and its Executive Committee as Canadian delegate.

## Timber

The Timber Committee of the Economic Commission for Europe held its annual meeting in Geneva in October 1961. This Committee studies European timber trade supply problems and acts as an agency for the collection and distribution of statistics relating to European trade in lumber and primary wood products. Canada has observer status on the Committee and was represented by the Commercial Secretary (Timber) in London. At this meeting the Commercial Secretary presented a report on the Canadian supply position and prospective export availabilities of primary forest products for Europe.

## Tin

The First International Tin Agreement expired on June 30, 1961. To this date the International Tin Council had met three times during the year. Countries participating in the First Council represented about 90 per cent of Free World tin production and 35 per cent of consumption. The Second International Tin Agreement, to which Canada is a signatory, provisionally came into effect for the five-year period commencing July 1, 1961. The first two meetings of the Second International Tin Council were held in July and October.

The Buffer Stock Manager had withdrawn from the market as a seller of tin on June 21 owing to exhaustion of stocks at his disposal and tin prices rose sharply. The immediate problem facing the Second Council was whether a balance between supply and demand could be achieved through anticipated increases in production by producing members. The Council reviewed other aspects of supply, including the effect of exports by Communist countries, the position of commercial stocks and the disposal of non-commercial stocks held in government stockpiles. By majority vote, the Council agreed that the current floor and ceiling prices in the Agreement were not appropriate for the attainment of its objectives.

At year end, formal instruments of ratification had not yet been deposited by a sufficient number of participating countries to permit the Agreement to enter into force. Such ratifications would be required before July 1962.

## EXPORT FINANCING

During 1961, transactions involving the sale of railroad equipment to the countries of Argentina, Brazil and Mexico, and a paper mill to Chile, were finalized, to a total of \$41.1 million and are being financed by the



Canadian Government under Section 21A of the Export Credits Insurance Act. In addition, a number of transactions were being negotiated at the year-end and many of these are expected to be successfully completed during 1962. These transactions were brought about through the Government's long-term export financing programme announced by the Minister in the House of Commons in November 1960. The Minister's announcement dealt with the new facilities created by the Government to finance longer-term export credits and the initiative taken by the chartered banks to set up the Export Finance Corporation of Canada, Ltd. to finance medium-term export credits.

The Minister's announcement dealing with financing for exports did not affect the exporter of consumer goods, selling on short credit terms, who generally encounters no difficulty in arranging his financing. The financing for such exports is readily available from the chartered banks. With the backing of an Export Credits Insurance Policy, an exporter can often arrange for an increase in his line of credit, or for accommodation on more favourable terms, since he can assign to his bankers the proceeds of any loss payable under his insurance policy.

Capital goods are frequently sold on medium-term credits ranging up to 5 years. In the past, Canadian chartered banks had generally found it possible to finance these medium-term suppliers' credits, particularly if backed by an Export Credits Insurance Policy. Occasionally, exporters did encounter some difficulty arranging their financing for large orders, or during periods of general stringency for bank credit. The initiative taken jointly by the chartered banks to create the Export Finance Corporation of Canada, Ltd., by mustering capital explicitly for financing medium-term exports of capital goods up to an immediate possible total of \$100 million, and ultimately to a total of \$500 million as requirements increase, ensured the continuous availability of ample financial assistance in this area of medium-term export credits.

The creation of the Export Finance Corporation of Canada, Ltd. improved the availability of financing, but did not change the procedures to be followed by the exporter. His dealings continue to be directly with his bank. The individual bank handles the financing arrangements and may then turn over the financed export paper to the Finance Corporation. Financing is available only if the export transaction is backed by an Export Credits Insurance Policy.

Complementing this initiative on the part of the chartered banks to improve the availability of financing for exports on medium-term credits, the Government has provided direct financing facilities to cover transactions requiring longer-term credit extending beyond 5 years. The legislative authority for this longer-term government financing is Section 21A of the Export Credits Insurance Act. This Section was enacted in 1959 to provide direct guarantees to lenders as a stimulus to financing of medium-term credits. Now, the guarantee facilities are being used for longer-term credits and, by



implementing the permissive facility in Section 21A for the Export Credits Insurance Corporation to buy guaranteed instruments, direct financing has also been provided.

The long-term financing arrangements are not intended to encourage the Canadian exporter to outbid foreign competitors in the liberal extension of credit terms, but simply to allow him to be competitive. Financing is only made available beyond 5 years in cases where the credit requirements of the foreign buyer and the credit competition clearly establish the need for extended credit.

The facilities are also reserved for the support of export transactions of capital goods that are efficiently produced, or unique in design or quality and are thereby competitive in world markets. There must be reasonably well established prospects for continuing and increasing export sales of similar goods to be realized as a result of the assistance in financing. Only goods or equipment of a high Canadian content, 80 per cent or better, are eligible for financing because of the intent to give the maximum support to Canadian industry and employment, as well as to exports.

Exporters requiring assistance from the government financing facilities deal with the Export Credits Insurance Corporation, which agency has set up a special division to handle export financing. The entire credit is financed, so that for the exporter each assisted operation is a cash sale.

The new financing assistance provided through the Export Finance Corporation of Canada, Ltd., and through Section 21A of the Export Credits Insurance Act, has enabled Canadian exporters to compete on an equal basis in world markets with foreign suppliers.



**Part II**  
**Work of the Department**





## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, but did not function until December 5, 1892, when an Order in Council to this effect was passed.

It came into being at that time because, as Sir John A. Macdonald put it, "the Government has come to the conclusion that with the rapidly and largely increasing trade of Canada . . . it is necessary . . . that there should be a Minister whose time and energy should be applied to trade matters." Businessmen needed assistance in developing trade; the special kind of assistance which could only be supplied effectively by a government department.

Trade and Commerce supplies a wide range of services to Canadian businessmen. Its functions can be classified under five headings.

- (1) *Trade promotion.* The Department is exclusively charged with developing and maintaining Canada's foreign trade.
- (2) *Trade control.* The Department is responsible for the control of imports and exports under statutory authority.
- (3) *Administrative duties* which arise out of, or are allied to, its activities in trade promotion and trade control.
- (4) *Domestic duties,* in the fields of weights and measures, census and statistics, industrial development, industrial design and others that encourage or facilitate domestic trade and industry.
- (5) *Delegated duties.* These are responsibilities of the Minister which have been delegated to crown companies, commissions, boards and agencies, because the duties are so specialized they are best discharged by autonomous entities. (The names of these organizations are set out in Appendix "B").

The Minister of Trade and Commerce is accountable to Parliament for a wide variety of legislation, a list of which appears in Appendix "A".

During 1961, the Department sponsored legislation in the House of Commons re

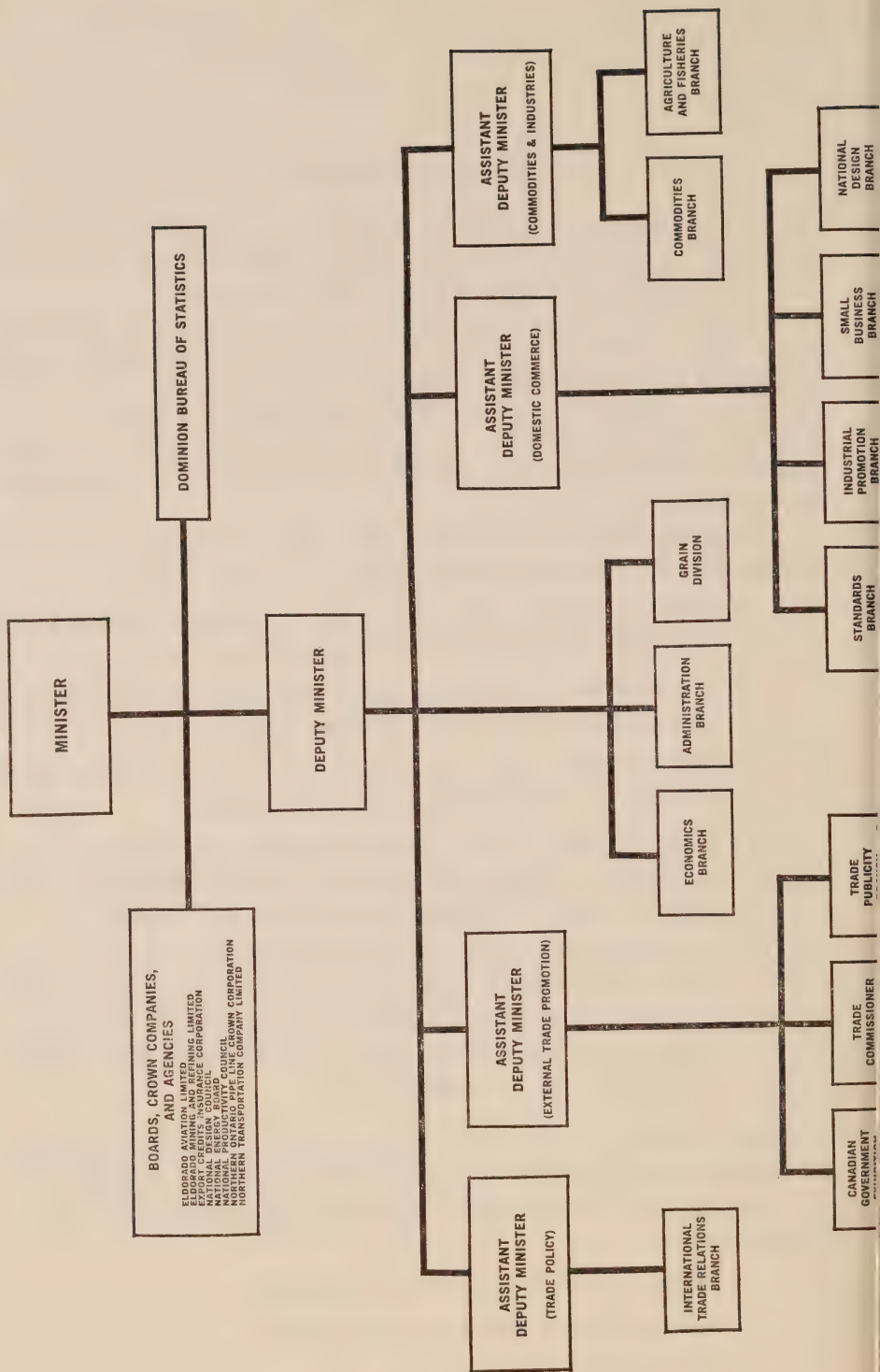
*Export Credits Insurance Act (Amended)*

*National Energy Board Act (Amended)*

*National Design Council Act*

# ORGANIZATION CHART

## DEPARTMENT OF TRADE AND COMMERCE



## STRUCTURE AND SERVICES OF THE DEPARTMENT

During the past two years, important steps have been taken to streamline the Department so that it will be in the best possible position to serve Canadian business and industry. Following the appointment in September 1960 of two new Assistant Deputy Ministers with responsibility for activities in the fields of commodities and industries, and of domestic commerce, the Department was reorganized with a view to improving administrative efficiency. The Department now comprises four major areas of responsibility, or services, each assigned to an officer of Assistant Deputy Minister rank as follows:

1. Commodities and Industries
2. Domestic Commerce
3. External Trade
4. Trade Policy

The structure of the Department on December 31, 1961, is shown in the organization chart on the opposite page. Information on the functions and activities of the various branches during the past year is contained in the individual branch reports commencing on page 40.

### MAJOR INDUSTRIAL AND TRADE PROMOTION PROGRAMMES

In addition to the programmes specific to the operations of individual branches as detailed in the individual branch reports, there were a number of major undertakings in 1961 which involved participation by practically all branches in the Department. Regional trade and industrial promotion conferences, trade fairs and trade missions were the three major programmes undertaken in the past year in which a large number of branches were vitally interested.

#### Regional Trade and Industrial Promotion Conferences

Following the outstanding success of the Export Trade Promotion Conference late in 1960 (see page 42 of the Annual Report of the Department for 1960) the Minister initiated a series of 12 Regional Trade and Industrial Promotion Conferences which took place between February 10, 1961 and February 14, 1962 in Winnipeg, Calgary, Vancouver, London, Charlottetown, Halifax, Saint John, N.B., Kingston, Regina, Toronto, St. John's, Nfld., and Montreal. Each of these was organized with the assistance of the provincial governments, aided in varying degree by local Chambers of Commerce and divisions of the Canadian Manufacturers' Association. They were well attended with an aggregate attendance of some 4,200 businessmen representing nearly 2,300 Canadian firms. The range of industry represented included all aspects of industry with particular emphasis on the processing



of food, fabricated material, machinery and equipment, and consumer goods. Service industries and financial interests were also represented in good numbers.

The Conferences each took a day during which domestic commerce topics were dealt with in the morning and external trade subjects in the afternoon. At each session six or more officers of the Department gave succinct five-minute addresses on their work and, after a coffee break, the rest of each session was devoted to questions and answers. The numbers and quality of the questions indicated that the audiences had far-ranging interests and a keen desire to expand their knowledge. The domestic sessions discussed subjects such as industrial promotion including licensing arrangements, financing, new products, depreciation certification, the work of the Small Business Branch, as the newly-formed National Design Branch and other subjects such as the work of the Dominion Bureau of Statistics. In the external trade sessions, the topics covered the work of the Department in the promotion of Canada's external trade and details concerning organization for export, export financing and export credits. At the external trade sessions, visiting Canadian Trade Commissioners from abroad, mainly from the United States, urged the audience to look to export for business.

### Trade Fairs Abroad

The Department has expanded official Canadian participation in trade fairs in other countries; whereas the participation in 1960 included 14 overseas trade fairs, in 1961 the total was 20. (For list of trade fairs during 1961 see Appendix "F"). The Trade Fairs Abroad Division, which was initiated a few years ago, is now well organized and very active. This Division assembles recommendations and full details from all sources, and particularly from the Department at home and the Trade Commissioners abroad. Upwards of a hundred Trade Fairs are studied very carefully each year in the light of utility to the work of the Department and for the promotion of external trade. Industrial promotion is also taken into account wherever opportunity is available for the encouragement of overseas manufacturers to establish plants in Canada and to grant manufacturing rights to Canadian industrialists. All the material developed by the Trade Fairs Abroad Division is discussed thoroughly during a series of meetings of the Departmental Committee on Trade Fairs Abroad. The Committee is made up of representatives of the Canadian Government Exhibition Commission, the Commodity Branches, the International Trade Relations Branch, the Trade Commissioner Service, the Trade Publicity Branch and the Industrial Promotion Branch. From their deliberations recommendations are made to the Deputy Minister for participation in the overseas fairs thus selected.

The Department places increasing emphasis on vertical fairs, fairs concerned with specific commodities or groups of commodities rather than the broad horizontal fair which may include a very wide range of products. The Canadian exhibit is thus drawn to the particular attention of the many



foreign buyers and industrialists who make a point of attending the vertical fairs related to their own lines of business. A few horizontal fairs, as for example, the Ideal Home Exhibition in London, England, have been used effectively for market exploration.

When the programme has been approved a separate working party is set up in the Department for each participation. These working parties are made up of the Chief of the Trade Fairs Abroad Division or his representative, the Commodity Officer concerned, a representative of the Trade Publicity Branch and a representative of the Canadian Government Exhibition Commission. In this way, the work for each participation is dealt with by a small group concentrating on the Canadian exhibit in each show.

As a result of such meticulous care, we have received consistently high praise on the quality of each show and the Canadian exhibitors are enthusiastic about the business contacts and the actual orders thus obtained.

### **Trade Missions**

The programme of trade missions to develop markets abroad, which was given new impetus during 1960, was further developed during 1961 (see list of trade missions in Appendix "I"). Plans were completed for a programme of outgoing missions running to the end of 1962 by which time the programme will have been further reviewed and developed. To cover the great detail involved in planning and carrying out these trade missions, a Trade Missions Division was initiated; this will be expanded during the next year to take the brunt of planning and fulfilment.

The present practice of the Department is that trade missions shall be small groups of businessmen accompanied by a departmental official. He is usually a Commodity Officer who has taken on much of the work of organization and then travels with the mission as secretary. Normally the invitations will be extended only to industrialists who are regarded as competent each in his own field to make market surveys and to report back to the Department and to the industry of which he is a part. Each mission covers one industry or the various aspects of one industry. The missions are sent to markets rather than to countries; a market might include several countries or only part of one country.

The results obtained by the missions have been most satisfactory. Even though trade development rather than immediate orders is the overall objective, checking back six months after the return of each mission there is evidence of orders placed to the value of as much as \$500,000. In addition, the missions are serving the very valuable purpose of giving Canadian businessmen first-hand experience in the usefulness of travel abroad; some members of missions have since gone abroad again at their own expense. When the missions report back to their industry, in talks to groups and individuals as well as in a written report, they have frequently aroused export interest among industrialists not already selling abroad.

During 1962 the programme of outgoing missions will continue, according to need, and the programme of incoming missions will be expanded. Incoming missions are small groups, perhaps three or four, of overseas buyers and sometimes government officials who are brought to Canada and given a tour which enables them to see the production of the commodities which they are interested in purchasing and to reassure themselves as to Canadian quality and standards. The buyers from abroad thus see at first-hand what they are purchasing and meet the Canadian producers. This leads to business.

## ADMINISTRATION BRANCH

The provision of administrative services to all operating units of the Department is the responsibility of the Comptroller-Secretary. His Branch comprises four Divisions—Personnel, Office Services, Library, and Financial Services. Additionally, the Comptroller-Secretary is the co-ordinator of returns to Parliament required of this Department and associated Crown Agencies, and maintains liaison with the Privy Council, Treasury Board, Civil Service Commission, Department of Public Works, Clerk of the House of Commons, and the Clerk of the Senate.

### Personnel Division

This division provides advice on personnel policy and human relations problems; acts as a control arm in ensuring compliance with established policy; provides personnel services to the Branches and to individual employees through interpretation of policy, legislation and regulations; assists employees with personal problems and maintains liaison with the central personnel agencies.

Under the Division Chief, responsibility is divided functionally in respect of organization and establishment, pay, leave and attendance, hospital medical service plans, superannuation, training and welfare, and by organizational grouping in respect of personal services and development. The Supervisor of the Central Transcription Service and the Chief Librarian report to the Chief of the Personnel Division.

Appendix "C" tabulates the distribution of departmental staff.

### Library

The Library selects, acquires, catalogues, indexes, circulates, lends and retains publications on the diversified subjects of interest to members of the departmental staff.

Considerable research work is done by the Librarians to answer reference questions for which the compilations of special and of continuous bibliographies are found essential.

Co-operation with business, university and other government libraries through loans or other forms of assistance is also part of the regular work done in the Trade and Commerce Library.

### **Office Services Division**

The division consists of three major segments. Duplicating and Printing Section provides an essential service in the printing of press releases, special memoranda, leaflets, etc., and in the production of additional copies of original documents by the photo copy process. Supply and Accommodation Section is responsible for procuring, storing and issuing the printing, stationery, equipment and furniture required. Office accommodation and maintenance, communication services such as telephone and intercom systems and buzzer installations, are other services arranged by this section. Records Section provides records, mail and messenger service to Branches in Ottawa, through the main units in the Trade and Commerce Building or the branch registries attached to the Standards and Exhibition Branches. It is responsible for the custody and maintenance of the departmental files. A considerable volume of out-dated records was discarded or transferred to the Public Archives Record Centre.

### **Financial Section**

The Financial Section has administrative responsibility for preparing requests for funds and for controlling expenditures.

Estimates were drawn up for each Branch, analysed for soundness, and presented to the Deputy Minister and the Minister for consideration prior to submission to Treasury Board and Parliament. Expenditures were controlled throughout the year by analysis of the necessity and reasonableness of each undertaking prior to commitment, and again afterwards when accounts were submitted.

Continuous liaison was maintained with the Department of Finance in order to ensure that departmental practices were in accordance with government policy.

Appendix "E" contains a summary of the Department's expenditure and revenue for the year ending March 31, 1961, and comparative statements of expenditure, and statements of revenue, for the fiscal years 1958-59, to 1960-61.

## **ECONOMICS BRANCH**

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on various aspects of Canada's economic development as required for official use.

Statements on the general economic situation were prepared in which current trends in general economic activity were reviewed and future prospects were assessed. In some cases, these reports were designed for general



background use within the Government, while in others, they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. Reports on current trade developments and on particular aspects of Canada's foreign trade were prepared as required.

Other features of the general economic situation examined periodically included employment conditions, both nationally and regionally, and developments relating to the consumer market.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. In resource industries, attention was focussed upon the changing pattern of world demand for industrial materials. In secondary manufacturing, the impact of imports upon the position of Canadian industries was followed closely and various aspects of this subject were given special study. Further research was undertaken relating to the development of Canada's primary iron and steel industry, and material on the consumption of rolling mill products by regions was up-dated and published. Work proceeded on background studies dealing with individual Canadian industries and world commodity markets.

The Branch participated from time to time in the preparation of economic material required in connection with international meetings and representations from industry, or for other departmental purposes. Special studies were conducted on various economic and trade issues requiring the attention of the Department.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programmes.

## COMMODITIES AND INDUSTRIES SERVICE

The primary purpose of the Commodities and Industries Service is to serve as a source of knowledge of materials, products and services which



Canada has to offer for export and similarly of the industries which might market them abroad. Likewise, knowledge is required of the trade services which handle these commodities. For these purposes an active liaison is maintained directly with industries themselves and also with their various trade associations. The commercial intelligence so developed is used to assist the Department's trade promotion programmes. A directory of information on Canadian export firms, Canadian manufacturers, Canadian export houses, Canadian export agents and Canadian export merchants is maintained for the use of Trade Commissioners. This service in effect forms a connecting link in the exchange of information between industry in Canada and Trade Commissioners in the field.

The Commodities and Industries Service consists of two branches, the Commodities Branch and the Agriculture and Fisheries Branch. The commodity officers in these branches are responsible for the product content of Canadian displays in trade fairs in other countries in which participation is sponsored by the Department and for industry representation in trade missions organized by the Department. They may frequently initiate the suggestions for missions and fairs. They act as co-ordinators and frequently as secretaries of missions when they go abroad and they also insist in staffing Canadian displays in trade fairs abroad. In a few instances, in commodity fields such as forest industries, and metals and minerals, specialists are seconded to serve in special posts abroad, serving in a capacity similar to that of the agricultural specialist Trade Commissioner.

As a source of information on the particular interests of various industries in Canada, the commodity officers serve also as an essential source of information for the International Trade Relations Branch in its evaluation of trade policy issues and the Trade Publicity Branch in the preparation of material for publicity purposes. When complex problems arise in international commodity trades, it falls to the lot of the commodity specialists as experts on the trades in question to maintain the situation under review, to develop a detailed understanding of the industries' problems and of international market conditions. When conditions lead to intergovernmental consultations, through various agencies available under the UN, GATT, OECD and FAO auspices, the commodity officer may take a leading role. Reference elsewhere in this report is made to the International Tin Council, the International Lead and Zinc Study Group, the International Sugar Conference, the FAO Conference on Fish Meal and other meetings which took place during the course of the year in which commodity officers participated in this manner.

During the course of the year organizational steps were taken to separate certain trade service functions from the ordinary commodity work of the Commodities Branch by the development of a new Trade Services Branch, formation of which was announced at the year's end. The new Trade Services Branch is intended to also assume responsibility for services to export in the transportation and communication fields. The administration

of the Export and Import Permits Act and the administration of export control of strategic material, by this move, has been further separated from the trade promotion functions of the Commodities Branch. Another purely administrative responsibility handled by the Commodities and Industries Service is the arrangement for liaison with industries in parts of Canada more distant from Ottawa through the opening of Regional Offices in Halifax and Winnipeg and the conversion of existing Departmental Offices in Vancouver and St. John's, Newfoundland.

Pressures from greatly extended promotion activities produced a falling-off, for a time, of the normal industry tours and plant visits by commodity officers. Greater attention was concentrated, accordingly, on liaison through trade associations where available for the purpose, with some degree of response on their part in a number of cases. A growing apparent interest in the full scope of forms of assistance and services available from Government extended beyond purely trade matters. New emphasis on design, productivity, research and product development was reflected in demands on commodity officers for miscellaneous forms of information on these subjects. Similarly, new facilities for financing foreign trade, both long and medium-term, provided a stimulus for a wide interest in foreign tender calls, foreign agency connections, foreign market information and visits to territories abroad. Visits of businessmen to the Department increased markedly and all forms of communications reflected this increase in activities.

### Agriculture and Fisheries Branch

The main activities of the Agriculture and Fisheries Branch are directed towards trade promotion of agricultural and fisheries products in world markets. In order to perform these tasks effectively, a close liaison is maintained with the trade, producers and processors, industry associations and provincial marketing boards and with other government departments, both federal and provincial.

In addition to direct trade promotion activity, the Branch is concerned with the programming, reviewing and disseminating of information on foreign agriculture and fisheries. This information, received from officers of the Trade Commissioner Service, is collated and distributed to the Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board and other interested government departments and boards, as well as to the trade.

Because of the sharp increase in trade promotion activities and interest in agricultural and fisheries products export markets, it was necessary to re-organize and strengthen the Agriculture and Fisheries Branch. The Food and Agriculture Division was divided into separate divisions for Livestock and Animal Products, and Plant and Plant Products. The establishment for the Fisheries Division was enlarged to take care of the increased activity in this field. An officer of the Department of Agriculture was assigned to the Grain Division to assist on domestic policy matters.

The Director of the Branch headed the delegation to the United Nations International Sugar Conference held in Geneva. The Director is also the representative of the Department on the FAO Interdepartmental Committee and the Branch took an active part in the work connected with the joint FAO-UN World Food Programme. The Branch provided the Chairman for the Canadian Fur Council and the Interdepartmental Committee on Fur Promotion.

Trade fairs and trade missions became major media for trade promotion activities during the year. Food exhibits were organized in the United Kingdom, West Germany and Peru and preparations were made to handle an enlarged 1962 programme. Fur exhibits were organized for inclusion in international fur fairs in France and Germany. Two "outgoing" trade missions were organized by Branch officers, while arrangements were made for two missions visiting Canada.

### **Fisheries Division**

A close liaison was maintained with the Department of Fisheries, as well as with the Fisheries Council of Canada and its member organizations in order to ensure that the best possible service was provided to the industry. Several important meetings were held with the trade during the year and special surveys were conducted on the spot in major markets for Canadian fisheries products. The Chief, Fisheries Division, made addresses at trade association meetings and visited various sectors of the industry, so that he could ascertain at first-hand any difficulties facing the trade.

Trade Commissioners world-wide, as well as fisheries specialists located in strategic areas, reported at regular intervals on production and market trends in their respective territories. This information was condensed and transmitted to industry as well as to federal and provincial fisheries officials. During the year over 200 special market and production bulletins were released by the Fisheries Division in this connection. Articles on markets for Canadian fisheries products were prepared for publication in "Foreign Trade" and trade publications.

With a view to providing closer liaison and increased trade promotion activity, the Fisheries Division is being expanded to give more detailed attention to regional problems.

Preparatory work was undertaken for the fact-finding trade missions scheduled to visit South America and Europe in 1962 to investigate possible new outlets for Canadian fisheries products.

### **Grain Division**

In view of the transfer in late 1960 of the Canadian Wheat Board and the Board of Grain Commissioners to the jurisdiction of the Minister of Agriculture, the Grain Division has functioned for the past year as a "joint unit" providing liaison with the Department of Agriculture on domestic matters and with the Department of Trade and Commerce on export marketing.



In the latter capacity, the Division co-operates closely with the International Trade Relations Branch, the Trade Publicity Branch and the Trade Commissioner Service in facilitating and promoting the export of Canadian grain and grain products (notably flour). Daily contact is maintained with the private grain trade and the Canadian Wheat Board in carrying out these functions, and the Division works closely with the agencies, both foreign and domestic, responsible for the procurement of Canadian wheat and flour under the Colombo Plan, and similar assisted export programmes.

Various studies, largely of a statistical nature, are made of the export market situation, with emphasis on areas of traditional commercial importance to Canada. These studies help to assess the competition arising from export subsidy and concessional sales programmes carried on by other exporting countries, and form the basis for trade policy decisions respecting such activities. In the case of flour, close attention is given to the trend towards the establishment of mills in the underdeveloped countries, and the implications of this trend for our flour export trade.

During the past year, the Grain Division was represented at various international forums concerning the marketing of grain, including the meetings of the International Wheat Council, the Wheat Utilization Committee and the Quarterly Meetings on wheat and related matters with United States officials.

### **Livestock and Animal Products Division**

Increased activity was experienced in the field of trade promotion for livestock and animal products, and many firms that had not been previously engaged in exporting were provided with assistance.

Exports of feeder cattle to the United States were more than double those of the previous year. Beef and veal exports increased substantially, although shipments of pork and pork products declined. Practically all of the exports of these meats went to the United States.

Purebred livestock were exported in substantial numbers, with Cuba providing a good market for purebred dairy cattle and swine. During the latter part of the year, a Japanese Mission visited Canada and bought a high-priced Holstein-Friesian bull. Exporters of poultry breeding stock were successful in expanding their operations abroad.

Britain continued to be a good market for high quality cheddar cheese. Exports to the United States continued to be limited by United States import restrictions. The cheese industry was given assistance in preparing a brief which they presented to a special hearing of the United States Tariff Commission which had been convened to review these restrictions.

Exports of dry whole milk and dry skimmed milk continued at a high level with some firms participating in this export business for the first time.

A poultry mission visited Britain and Western Europe during the early part of the year to explore the market prospects for eviscerated



poultry and eggs. The mission investigated the requirements of the large market in West Germany and Switzerland for eviscerated poultry. Some shipments have been made and it is expected that this trade will increase. Prospects for eggs appeared to be limited, but the prospects for egg products seem encouraging.

Substantial quantities of honey were exported during the year with Britain being the most important export market. Much of the honey shipped to Britain was in retail containers which enable it to retain its identity as a high-quality Canadian product.

The Division prepared papers and briefing material for the UN International Sugar Conference, the FAO Cocoa Study Group and the International Coffee Study Group. An officer of the Branch was secretary to the Canadian delegation to the International Sugar Conference held in Geneva.

The Canadian Fur Council, consisting of members of Federal and Provincial Government departments concerned with fur matters, continued its activities during 1961. The aims of this Council are to co-ordinate marketing and promotional activities both at home and abroad, to effect a close liaison with the fur industry in promoting Canadian furs, and to provide a forum for discussion of fur problems.

## **Plant Products Division**

In the plant products industries, a notable development in promoting export sales of processed fruits and vegetables was the organization of the Fruit and Vegetable Products Export Project (FAVPEP). The Chief of the Division acted as Secretary of the Steering Committee, consisting of representatives of both government and industry. The Committee was formed to study and devise means of improving the competitive position of these Canadian products in world markets and to establish industry organizations representing growers and processors with the aim of increasing export trade. A plan was evolved which would provide a means of exporting at world competitive prices, with a resulting increase in export trade and, at the same time, allow for an expansion of acreage and production of the raw products and greater use of the productive capacity of the processing industry. The plan includes the establishment of industry organizations through which processing firms will be able to export their products on a group basis.

The oilseeds industry has become an increasingly important one in export trade, selling abroad some \$100 million annually of oilseeds, oil and meal. This expansion of trade has placed Canada in the position of being the world's largest exporter of flaxseed and rapeseed. The Division is assisting the industry to exploit every opportunity for further expansion of this trade. In addition to providing a continuous flow of market intelligence to the trade, a more intensified effort is being made by the Division in conjunction with the Department of Agriculture and the producers and exporters to improve upon the quality, grading and handling of the products for export. This followed upon a conclusion reached by the Oilseeds Trade

Mission to Europe, sponsored by the Department, that a great potential exists in Western Europe for oilseeds, providing suitable varieties with satisfactory oil content can be supplied by Canada. The Chief of the Division organized the mission and accompanied it as Secretary.

The Division also organized and participated in an incoming trade mission from Greece which visited and held discussions with members of the seed potato industry in New Brunswick and Prince Edward Island. Greece has become an important market for certified seed potatoes from the Maritime Provinces and every effort to consolidate our position in that market is being made. Plans were made to undertake similar promotional activities on behalf of the potato producing industry for other markets as well.

Much greater attention to export trade was given by the tobacco producers' industry. An export promotional programme is being considered by the industry which required a close liaison with the industry and a wider measure of research and promotional assistance work by the Division.

Articles, brochures, special studies and briefs were initiated and prepared by the Division for a number of the industries within the plant products group. An extensive commercial intelligence reporting service was established to assist the processed foods industry in its plan to expand export trade. The establishment of the Plant Products Division was increased to make possible a number of planned studies and promotional activities, particularly in the fields of oilseeds and vegetable oils, tobacco, processed foods and fruits and vegetables.

### Commodities Branch

The principal role of the Commodities Branch is active trade promotion. The Branch provides liaison with Canadian industry and business and with officers of the Department stationed at home and abroad.

The Branch is organized into seven divisions: Appliances and Commercial Machinery, Chemicals, Engineering and Equipment, Forest Products, Metals and Minerals, Textiles and Consumer Goods, and Transportation and Trade Services. These divisions are staffed by commodity officers who are specialists in such fields as engineering services and plant equipment, electrical and electronic equipment, transportation and agricultural equipment, ferrous and non-ferrous metals, lumber, pulp and paper, chemicals and petroleum products, rubber and plastics as well as a wide range of commercial and consumer products. The officers visit production plants, attend and address meetings of business associations, and prepare trade studies and market surveys. They assist in arranging for the display of Canadian goods abroad and help in organizing trade missions to foreign countries for the purpose of introducing Canadian businessmen and products to foreign markets. Commodity specialists keep trade commissioners informed regarding Canadian supply conditions and products available for export, as well as relay to Canadian manufacturers and exporters market information supplied by the trade commissioners.

The Branch prepares briefing material and sends representatives to international commodity study groups on such products as tin, rubber, cotton, lead and zinc, where major world suppliers and users of the commodity concerned meet to arrange a framework for orderly marketing. The Branch also acts as a source of commercial intelligence for other branches of the Department. Throughout the past year, the Branch continued to administer the Export and Import Permits Act and was active in the export control field, including international arrangements for the control of strategic materials.

### **Appliances and Commercial Machinery Division**

The momentum created by the Export Trade Promotion Conference, held in Ottawa, December 1960, was maintained throughout the year and the Appliances and Commercial Machinery Division achieved gratifying results with items such as oil burners, outboard motors, power chain saws, etc., exported to highly industrialized countries abroad in competition with domestic products. Central heating equipment has been introduced and is making great inroads in Britain and Australia, something not hitherto achieved. Canadian manufacturers of refrigerators and freezers have increased export sales substantially in 1961. Sales of this equipment to Britain were up by well over 100% from 1960 and to the Middle East increased by 500% compared with 1960. Wringer washing machines were exported to the United States in sizeable quantities for the first time. Sales of wringer washing machines to Britain more than doubled last year's figure and the introduction of coin-operated laundromats to Europe is meeting with overwhelming success.

The United States market is catching the eye of an increasing number of Canadian manufacturers of consumer hard goods and while it is difficult for Canadian firms to compete in many of the standard mass produced items, we are making rapid advances in fields where fashion and design are important. An outstanding example of this is the increased demand for high quality Canadian hi fidelity radios, phonographs and television receivers. By August of 1961, exports of these products to the United States were double those for the year 1960.

The Appliances and Commercial Machinery Division, in co-operation with some associations, helped many small Canadian firms to enter the export market for the first time, by encouraging them to co-operate and establish a joint export programme.

Research into world trade patterns was carried out in detail to trace the movement of specific commodities from the exporting countries to the importing countries; this assisted greatly in revealing opportunities for increasing Canadian exports. Studies completed during the year covered the fields of stationery and office supplies, refrigerators and freezers and electrical household appliances. Publicizing these studies sparked considerable interest among many of the large Canadian firms which are subsidiaries of United States corporations. They approached the Division for detailed statistical



analyses of world export markets, Canadian trade statistics and related information. Equipped with these detailed statistics, commodity experts from the Division assisted the Canadian executives in presenting a case to American parent firms to obtain greater freedom to export from the Canadian plant. An active demand for help of this nature has been stimulated.

The Division interested Canadian firms in exhibiting their products in five trade fairs in 1961 and provided staffing assistance at two of these.

## **Chemicals Division**

The chemical industry as a whole continued to expand during 1961, particularly in the petrochemical field, and a significant portion of new production went to export markets. Final figures are not available but the value of chemical exports appears to be headed for a new record despite increased competition for world markets by other suppliers. Along with petrochemicals, exports of fertilizers, synthetic resins and synthetic rubber provided the major increase in export totals.

As a result of the export promotion campaign conducted by the Department during the year a considerably increased interest in exports by chemical producers has been developed and this has been particularly apparent among the many producers of various chemical specialty products. A number of such firms were encouraged to investigate export markets for the first time and numerous successes have been achieved. Some enquiries have originated from firms who have written to the Department on their own initiative seeking assistance while many enquiries have originated from the Department.

The Division continued its active participation in the interdepartmental Technical Committee on Dangerous Goods and was active in the formation of a new interdepartmental Committee on Energy Statistics. As well as preparing briefing material for meetings of the International Rubber Study Group the Division provided a representative at one of the conferences in London.

Considerable effort was given to assisting Canadian exporters of sulphur in world markets as well as those firms interested in developing a source of helium in Canada. Initial offshore shipments of bulk sulphur took place in 1961. The Division continued its active assistance in co-ordinating procurement of fertilizers and pesticides under the Colombo Plan and at the end of the year preparations were under way to send a member of the Division to Africa on a market exploration trip.

The oil and gas industry reached record levels of production and export during the year and the Chemicals Division continued to provide information and assistance for both the Canadian industry and international enquiries.

## **Engineering and Equipment Division**

The Engineering and Equipment Division is devoted to promoting the export activities of firms engaged in consulting engineering, in construction and in supply of capital and industrial plant equipment, and agricultural, communication, electronic and transportation equipment of all kinds.



The Division's export promotion programme was highlighted by the Trade Mission of Construction Engineers to South America. It included continued participation in trade fairs in the United States, Peru, South Africa, and Europe, and first-time participation in the Engineering, Marine, Welding and Nuclear Exhibition in London, England. Officers of the Division were closely associated with the planning for this trade mission and these trade fairs and at least one was in attendance on the mission and at each fair.

Exports have increased notably with emphasis on equipment of sophisticated design and application. In the electronic, communication, metalworking and transportation fields a large increase in the number of firms interested in exporting is apparent, with a resultant increase in exports supplementing the continuing success of manufacturers of equipment for pulp and paper plants, hydro electric plants, electrical distribution, process plant equipment and controls, communication equipment and transportation equipment.

The establishment of facilities for long-term financing was particularly important in the area of work of the Division. The year saw completion of negotiations of the first contracts aided by the new financing facility. These involve the supply of pulp and paper plant equipment and diesel locomotives. It also saw a very great increase in the number and variety of engineering firms searching for export opportunities. Consulting engineering and aerial survey firms have expanded their international operations and Canadian consultants have been successful in obtaining contracts financed and administered by international organizations including the UN Special Fund and the World Bank.

The year 1961 saw the formation of additional consortia of consulting, contracting and manufacturing firms through which their facilities can be combined and offered as a "package" when tendering on large foreign projects.

### **Forest Products Division**

As in the preceding year the forest products industries registered substantial gains in production and exports in 1961. Demand for lumber, wood products and pulp and paper increased in Canada and in markets throughout the world. Total pulp and paper exports increased by 2.5 per cent during the year and, as in the past, accounted for four-fifths of the tonnage produced by the mills. Lumber exports increased by 6 per cent while secondary industries in this field enjoyed a good year. At the end of the year Canadian forest products were being sold in ninety markets.

In support of the forest industries, the Forest Products Division intensified its promotion programmes in the development and maintenance of export markets during 1961. In Britain, efforts were increased to stimulate greater interest in Canadian lumber in the housing field and for industrial uses. In the United States, the objectives have been to increase sales of hardwood and softwood lumber for the construction industry and of specialty

items such as furniture parts and other wood components for the industrial market. Market surveys were conducted for a variety of finished and semi-finished products of wood and paper. The annual survey of newsprint markets was again carried out by the Division in co-operation with the Newsprint Association of Canada and the Trade Commissioner Service. A World Survey of Woodpulp Capacity and Consumption was made in conjunction with the Canadian Pulp and Paper Association. During the year the Division actively assisted efforts to establish standardized grade marking of lumber for use in Canada.

Some of the more interesting achievements in exports during the year were the introduction of box-shooks into Israel, sales of newsprint to Switzerland, wallpaper to New Zealand, wooden furniture to Britain, kraft paper to Iraq, lumber to Trinidad and woodpulp and paper to mainland China.

### **Metals and Minerals Division**

The Division participated in many trade promotion activities during the year. In the United States, the Canadian exhibit in the American Society for Metals Exposition and Congress was co-ordinated by this Division, as were trade fairs held in Poland and Czechoslovakia. In conjunction with the primary iron and steel industries, a special exhibit was constructed for display at various trade fairs. A special booklet was also written and will be available at the fairs and at our foreign posts.

In order to keep abreast of various new technical developments the Department has become a sustaining member of the Canadian Chapter of the American Society for Metals, and to maintain close touch with Canada's growing industries a member of this Division attended the Annual Conferences held by the Canadian Secondary Material Association, the Canadian Nuclear Association and the Canadian Exporters' Association.

During 1961 there was considerable activity in international conferences in the metals and minerals field. The Lead and Zinc Study Group and the International Tin Council met several times. This Division prepared briefing material and provided delegates for these meetings.

During the year the Division participated in a number of studies. One of the most important of these was a study of the world tin situation since the inception of the International Tin Agreement. Results of the tin study were circulated to other interested government departments. In addition, studies were made of developments in the asbestos and iron ore industries.

There was a slight decline in total export of mineral and metal products. A major factor was the stretch out of deliveries of uranium. Some strengthening of iron ore exports became apparent towards the end of the year. Exports of asbestos increased and the whole price situation benefitted from the decline in the foreign exchange value of the Canadian dollar. Some outstanding successes were obtained in exports of steel sheets, tinplate, salt and pre-fabricated building.

There was a notable increase in attention to the European Common Market on the part of Canadian metal and mineral exporters, with a tendency to establish more direct representation and even open offices within the EEC countries. Arrangements were completed during the year to second a senior officer from the Division to serve as metals and minerals specialist on the staff of the Minister (Commercial) in London, with responsibilities extending to the Common Market as well as Britain.

### **Textiles and Consumer Goods Division**

The Export Trade Promotion Conference in December, 1960 and the succeeding Regional Trade and Industrial Promotion Conferences had a considerable impact on the activities of this Division through interesting manufacturers in export opportunities and in the Department's trade promotion activities. This has resulted in attracting newcomers to the export field and in a renewed interest by many of our traditional exporters in new markets. The renewed and spreading interest in foreign markets has rewarded Canadian manufacturers with business they may have believed was not possible. New world markets have been opened up for the commodities handled by this Division as follows:

Canadian manufacturers are doing business in cotton fabrics in Britain. This market and Europe have been penetrated by clothing manufacturers, particularly in outerwear. Good business in synthetic fabrics is being obtained in Europe. Synthetic fabrics are also being shipped to Hong Kong, Singapore, Nigeria, Thailand and Kuwait. Rubber yarn is being exported to Latin America, Australia and Iran.

Boats and marine accessories are being sold in Britain and Europe, water skis are going to Singapore, Thailand and Australia, fishing rods to Rhodesia and New Zealand, gymnasium equipment to Japan, Sweden, Malaya and the West Indies.

Toys are being sold in Japan, calendar prints in South Africa, umbrellas in Britain, clocks in Switzerland, ladies' leather handbags in New York, plastic brine tanks and water softeners in the Midwest U.S.A., baby carriages in New York State and jewellery to such markets as Britain, Switzerland, New Zealand and Kuwait.

During the year this Division co-ordinated Canadian participation in the International Boat Show, London, the National Sporting Goods Show, Chicago, the Daily Mail Ideal Home Exhibition, London, the Leather Importers and Factors Association Exhibition, London, and the Pacific International Trade Fair in Lima. In addition it enlisted the assistance of Canadian firms in supplying products for the Y.W.C.A. International Fashion Show in Hong Kong and the "Canada Night" in New Orleans sponsored by our New Orleans office. The Division also assisted a selling group of members of the Toronto Dress Guild who visited London with their samples. It also organized in co-operation with the Minister (Commercial) in London a Buying Mission from a large London department store. The Mission came



to Montreal where appropriate introductions were made with Canadian suppliers of the lines of interest. Both these Missions were successful and good business done.

In view of the very large number of manufacturers to be contacted, the Division paid particular attention to liaison through organized trade associations. During the year commodity officers attended the following conventions: The Secondary Materials Association, Primary Textile Institute, Woollen Knit Goods Manufacturers' Association, Canadian Jewellers Association, Broom and Brush Manufacturers Association and the Montreal Dress Guild. At three of these conventions the commodity officer concerned gave a short talk outlining the services of the Department. In addition, commodity officers covered six trade shows in the consumer goods field, enlisting participation in the Department's trade promotion and trade fair programmes. The Division also had two men on duty at the Canadian Government exhibit at the Canadian National Exhibition. The Division assisted the Canadian Jewellers Association to set up an Export Committee.

### Transportation and Trade Services Division

The Division is concerned with transportation matters affecting trade, with Canada's participation in a multilateral control system applied to trade in strategic commodities, and with a number of services related to external trading and the work of other Branches.

*Transportation and Communications Section*—Throughout the year the Section followed closely the trends and adjustments in charter market and liner service freight rates. A quarterly analysis entitled *Freight Market Observations* is circulated to other government departments and is available to interested Canadian firms on request. Studies were made of liner shipping rate increases on particular commodities to overseas markets from Canada relative to rates from competing countries. In those instances where it could be established that Canadian companies were encountering discriminatory ocean freight rates, representations were made to the shipping lines seeking more favourable rate levels for the Canadian exporters.

The Section dealt with numerous enquiries and problems concerning carrier services by rail, road, water and air. Information on routings, shipping services and freight costs was provided to industry and to departmental officers engaged in studies of new markets for Canadian goods. In co-operation with the steel industry, lower rail rates to Atlantic ports and wharfage charges were renegotiated to enable steel exports to continue to move during the winter months when navigation on the Lakes and St. Lawrence is closed. Transatlantic air freight rates on particular commodities were studied. Problems affecting exporters arising out of the new North Atlantic rate structure that came into effect on August 1 were raised with the air carriers concerned.

Officers worked closely with various organizations and other government departments on transportation problems of mutual concern. A representative attended meetings of the Canadian Port Committee, Fruit and Vegetable



Products Export Project, Grain Storage Facilities Committee, and the Technical Committee on Dangerous Goods and other interdepartmental committees.

*Directories Section*—The Directories Section maintained directories of Canadian exporters for the use of Trade Commissioners and Commodity Officers. The Exporters' Directory is revised annually. The information on the organization and commodity interests of Canadian firms is compiled in kardex form and distributed to posts abroad to facilitate the handling of trade enquiries and to provide reference material for trade promotion. Monthly bulletins reporting additions, deletions and corrections are sent to holders of the Directories. In addition, information of immediate interest concerning the external trading operations of particular Canadian firms is distributed to Trade Commissioners. All information supplied to the Directories Section by Canadian firms is treated as confidential and is for the use of the Department's officers only.

*Export and Import Permits Section*—This Section is responsible for the administration of the Export and Import Permits Act. An export permit is required before an item included in the Export Control list may be exported to any destination, except the United States. For reasons of supply, six items in the List require export permits before they may be exported to any destination, including the United States. In addition, ten items in the Atomic Energy Materials and Equipment Group are subject to similar control.

General export permits were continued in force to facilitate trade in a variety of non-strategic goods. There was no change in the lists of goods subject to export and import controls.

## DOMESTIC COMMERCE SERVICE

The Department of Trade and Commerce has placed additional emphasis in recent years on assistance and service to domestic trade and industry. In order to discharge effectively its responsibilities in this regard, the Domestic Commerce Service of the Department was formed in 1960, grouping together under an Assistant Deputy Minister, the Industrial Promotion Branch, the Small Business Branch, the Standards Branch and the National Design Branch. The objective of the Domestic Commerce Service is to provide a wide range of services to assist in the development of industry and domestic trade.

The activities of the branches within the Domestic Commerce Service complement one another in servicing domestic industry and trade throughout many aspects of production and distribution. The various branch programmes are directed towards providing businessmen with information and assistance in such fields as product design, industrial development, new products, commodity standards, sources of financing, double depreciation, production under licensing arrangements, and managerial and technical training and education.

A principal function of the Domestic Commerce Service is to maintain close liaison with provincial government departments concerned with trade and industry and to complement the work of the provincial and local agencies. In this connection, officials of the branches of the Domestic Commerce Service attend the annual meetings of the Provincial Governments, Trade and Industry Council and participate in the semi-annual meetings of the Council.

In addition, the Domestic Commerce Service is responsible for departmental liaison with the National Productivity Council and the National Design Council and works closely with these bodies in the development of their programmes.

During the past year the Domestic Commerce Service, through the various branch programmes, continued to develop a comprehensive integrated service for Canadian industry in the field of domestic commerce. Apart from individual branch activities, the Domestic Commerce Service held meetings with groups of businessmen and with industry and trade associations in various regions of Canada to discuss industrial promotion matters. All branches also participated in the Regional Trade and Industrial Promotion Conferences held throughout Canada in 1961.

### Industrial Promotion Branch

The Industrial Promotion Branch (formerly the Industrial Development Branch) assists manufacturers, processors and service industry to expand operations in Canada. Canadian manufacturers are helped to diversify and increase the volume of their output. Foreign companies and individuals interested in negotiating a manufacturing agreement with a Canadian factory or in establishing a new branch plant in Canada are given all possible guidance. In the pursuit of these objectives, Branch officials work closely with other federal agencies and with provincial, regional and municipal bodies. They also maintain liaison with private development agencies such as railways, banks, power companies, boards of trade, chambers of commerce and the Canadian Manufacturers' Association.

A large number of direct enquiries was received in 1961 both from foreign countries and from Canadian businessmen. These were concerned with branch plants, licensing arrangements, investment opportunities, potential markets for products manufactured in Canada, and other types of information. In addition, many foreign and Canadian businessmen were interviewed in Ottawa during the year, and Branch officers consulted with many others while on business tours in Canada and abroad.

To provide Canadian manufacturers with information on opportunities within the domestic market and to encourage new or increased Canadian production, the Branch initiated a new programme of industry studies during the year. The report on the first of these projects, entitled *Spotlight on Oil Drilling Equipment*, was released in November in the course of a trade and

industrial promotion tour of western provinces. This publication has received wide distribution among those interested in the manufacture of such equipment in Canada.

The demand for information about Canadian market possibilities to sustain the efforts of Canadian manufacturers to diversify and expand continued to increase during 1961. As a result, some 28 major import surveys—including studies of chemicals, mining machinery, conveying equipment and furniture were completed. In addition, a large number of special investigations of the market for specific products was undertaken as a result of requests from Canadian manufacturers.

In response to numerous requests, the Branch continued to prepare a number of publications designed to assist industrial expansion. Prominent among these are a series of booklets with such titles as: *The Canadian Environment*; *Taxation in Canada*; *Forms of Business Organization in Canada*; *Canadian Customs Duties*; *Financing New Industries in Canada*; and *The Small Business Manual*. These were distributed to industrial development organizations, business consultants, trade associations, chartered banks, provincial governments and the Department's offices abroad.

A report entitled *Survey of Industrial Investment Projects 1960-61* was prepared and distributed during the year to a number of private industry enquirers. This report lists industrial projects whose investment value is \$500,000 or more, classifying these by the type of industry to which they belong.

The *Industrial Promotion Bulletin*, which is issued regularly in English and French, was continued during 1961. It contains information on new products and processes developed by foreign organizations and available for manufacture in Canada under licensing or royalty arrangements. The Bulletin has a wide circulation and extensive publicity is given by the technical and financial press to items contained in it. Its circulation now includes about 1000 Canadian manufacturers seeking to diversify and expand their production.

During 1961, the Branch's work in co-ordinating certain federal government activities in the general field of industrial development resulted in close co-operation with several government agencies. Exchanges of essential information were made, for example, with the Technical Information Service of the National Research Council, the Customs and Excise Branch of the Department of National Revenue, the Economics and International Affairs Branch of the Department of Finance, the Economics and Research Branch of the Department of Labour and the Department of Mines and Technical Surveys. Close co-operation, moreover, with the Immigration Branch of the Department of Citizenship and Immigration resulted in the processing of a number of Settlement Division enquiries regarding immigrant industry.

Branch officers, during the year, participated in the Regional Trade and Industrial Promotion Conferences and conferred with representatives of provincial governments, municipalities and private industry on methods by



which the capacity of Canadians to take advantage of trade opportunities might be increased. The Branch was represented also at the Thirteenth Annual Conference of the Provincial Governments' Trade and Industry Council in St. John's, Newfoundland, and at the Province of Alberta's Trade and Industry Council Meeting in La Prairie. In addition, various officers were active in Canada and abroad at the following: The Montreal International Trade Fair, Montreal, Quebec; the British Columbia International Trade Fair, Vancouver, B.C.; the Canadian National Exhibition, Toronto, Ontario; the American Industrial Development Council Conference in Dallas, Texas; the Design Engineering Show, Detroit, Michigan; the National Metals Congress, Detroit, Michigan; the National Association of Home Builders Convention, Chicago, Illinois; and the Exposition of Chemical Industries in New York City.

### National Design Branch

In all highly industrialized countries, good product design is contributing in an ever increasing degree to the economy of manufacturing and the successful marketing of goods. With the aim of promoting the wider application of design throughout Canadian industry, the scope of the Department's work was broadened in 1961 to embrace this function, and the activities of the "Design Centre" in Ottawa were transferred from the National Gallery.

By an act of Parliament on June 1, 1961, provision was made for a National Design Council—a 17-member body representing industry and labour; the interests of producers, distributors and the buying public; the professions of architecture, design and engineering; and agencies of the Federal Government having a special interest in industrial design. The members were appointed by Order in Council in September, and during the second half of the fiscal year the Council held three meetings to resolve the broad lines of the future programme and to examine specific projects.

The development of an effective programme calls for close and continuing research in order to ascertain the present and emerging needs of industry on the one hand, and on the other—the facilities, processes and techniques available to the manufacturer. The National Design Branch was established to conduct these studies, to extend and develop design information and services for the manufacturing community, and to administer the various aspects of the design programme.

A National Register of practicing designers and design consultants is being compiled so that manufacturers seeking assistance with product development and with packaging, labelling, etc., may be brought into touch with those best equipped to supply expert help. Initial steps have been taken to set up a reference library and information service which, in due course, will cover the whole field of international design.

A survey of secondary industry is planned in 1962 in order to establish in what manner product design is now carried out and the extent to



which manufacturers at present employ professional designers and design consulting services. In the first phase of this survey, the Branch will work in collaboration with the Manitoba Department of Industry and Commerce.

National and Regional exhibitions and displays are being planned with a view to stimulating wide public interest in good Canadian design and to encouraging the application of improved processes and techniques, and the development of form and style. A display of toys of Canadian design, arranged during November 1961, in collaboration with the Canadian Toy Testing Council, a voluntary agency, drew a lively response and secured wide attention for the aims of the design programme.

One of the most effective ways to demonstrate the design process, its application in particular situations and its dollars-and-cents value, is to bring together manufacturers and designers in seminars and workshops for group discussion, case study, and informal contact. Plans are under way for the first of such meetings in the Spring of 1962. Seminars and workshops will be arranged on a regional basis to ensure the relevance of the topics covered to the realities of local industry, and to give participants ample opportunity to join fully in the questions and discussion.

An increase in the number of highly trained industrial designers is required to meet the growing needs of secondary industry. With this requirement in mind, the National Design Council has established a programme of scholarships and grants for institutional and specialized training, and for research in industrial design. Awards are made on a competitive basis and are tenable in Canada and abroad. The National Design Branch has administrative responsibility for this programme.

### **Small Business Branch**

The Small Business Branch was established to provide "a liaison between the Government and small business; to study the problems of small business and to advise the Government on measures necessary to meet them."

The Branch provides an important service to individual small businesses, or their associations, by acting as a contact point with the Government where they can obtain over-all information about the many services in other departments which can help them. The Branch also serves as a forum where small business problems and suggested solutions are discussed.

In response to businessmen's requests, the Branch continued to provide information and help on a wide range of matters such as establishing a business; types of business organization; sources of capital; laws and regulations in respect of most aspects of business operations, including patents, copyrights, accounting, production, and marketing; government procurement and managerial techniques.

In addition to providing information in response to individual requests, the Branch continued to prepare and distribute information of value to small

business in general. The manual entitled *Selling to the Canadian Government*, outlining the kinds of requirements and procurement procedures of the Federal Government continued to be in heavy demand. This was also true of the publication entitled *Management Education* which contained the results of a survey conducted early in 1961 to determine what courses were available at the university level to business executives and supervisors across Canada during 1961-62. This booklet also proved to be a useful planning aid for business school faculties and other sponsors of management education programmes. During the past year, the Branch in co-operation with other federal government departments and agencies also prepared a booklet entitled *Federal Services for Business*. This manual outlines the various services available to businessmen from the federal government.

In 1961, the Branch proceeded with its analysis of the problems confronting small business. Particular attention was given to financing, including both the operation of the Small Business Loans Act and the expansion in lending facilities resulting from the 1961 amendment to the Industrial Development Bank Act. Other matters considered during the year included ways by which greater advantage of new or existing business opportunities might be taken by small businessmen and various means for fostering general improvements in operating conditions for small business in matters such as hiring workers, purchasing, processing and marketing.

Management training continues to be one of the greatest continuing needs of small business. Therefore, discussions were held with provincial government representatives, educators and businessmen with a view to co-ordinating a comprehensive approach to management training in conjunction with the provinces to make maximum use of existing information and facilities and to provide the most economic means of introducing improvements. The general response was very favourable and an overall programme was set underway at the end of the year.

Meetings and discussions also took place frequently during the year with federal and provincial officials, business associations, educators and representatives of mass communication media, to develop approaches to small business problems and to create a greater general awareness of the place and importance of the small business community. The Branch also participated in the series of Regional Trade and Industrial Promotion Conferences to provide advice regarding information and assistance available to small businesses.

### Standards Branch

The administration of the statutory enactments in the field of measurement is the primary responsibility of the Standards Branch. The ancillary laboratory facilities and the experience of technical staff required for such administration are available to industry and government departments for calibration and certification of indicating instruments and for resolving operational problems. In addition to this area of work, extensive supervision

is maintained over the quality of articles of precious metal. Similarly, requirements for the labelling and advertising of certain designated commodities have been developed in co-operation with the trade and consumers, and for certain others, the means are available to give recognition to products meeting prescribed standards.

The Electricity Inspection Act, the Gas Inspection Act, and the Weights and Measures Act have as their basic objectives type approval before installation and periodic inspection, when in use, of all meters used for the sale of electricity and gas, and of all measuring devices used in general commerce for volume, weight, or linear determinations. The extent of this coverage is indicated by the fact that 1,180,818 meters and transformers were inspected in 1961, an increase of 125,000 over 1960. Coupled with this work, the Branch continued to act as agent for the National Energy Board in the inspection of export and import meters and metering installations, and undertook several extensive investigations into the metering arrangements of network systems.

Under the Weights and Measures Act, inspections rose from 493,700 in 1960 to 500,565 for the year under review. The mobile test units for heavy-duty scales and large petroleum meter installations continued to be an effective means of test as well as being of considerable assistance to industry in the maintenance of accuracy of large and complicated devices now in use. The high level of retail and production inspection of prepackaged items was maintained. The continuing extension of this work, particularly at the manufacturers' level, is proving increasingly effective.

Satisfactory compliance with the requirements of the Precious Metals Marking Act in the matter of quality and identification was indicated from the inspection and assay of articles and the continuing check of media advertising precious metal articles. This coverage is maintained at retail, wholesale and manufacturing levels of the jewellery industry and at Customs ports. The regulations issued under the National Trade Mark and True Labelling Act covering the labelling and advertising of designated commodities continued to be effective. Late in the year, requests were received to review those covering hosiery and fur garments and the recommendations are presently under consideration. The successful completion of the garment sizing regulations under the aforementioned statute gives promise of meeting the original objectives. Specifications have been completed for eighteen types of garments and with the licensing of fourteen major manufacturers it is anticipated that garments manufactured under the new sizing system will reach the market in mid-1962.

While good commercial measurement with uniform application throughout any country depends on standardized inspection procedures uniformly followed, it is of prime importance that the standards on which these must rely are properly maintained. The laboratory of the Standards Branch has met this requirement with a carefully-scheduled recalibration programme. The increasing interest of industry and other government departments in the provision of this service which was noted in 1960 was increasingly evident



in 1961. The technological advance in new meters and metering systems by industry is continuing at a high rate with the result that testing of such devices for type approval is reaching new levels. The trend toward more automation is indicated by the number of devices which make computations, transmit readings to remote recorders, control processes and totalize the readings of other primary devices. This direction of development continually adds to the complexity, both in the provision of testing facilities as well as the time required to make definitive tests.

### Depreciation Certification Division

The Depreciation Certification Division was established to administer the Special Capital Cost Allowance Programme for New Products. The aim of the programme is to encourage the expansion and diversification of Canadian industry and to improve employment opportunities, particularly in Surplus Manpower Areas. In brief, the programme permits a faster write-off of assets than is allowed under the normal depreciation regulations, thus providing taxpayers with additional working capital.

There are two parts to the programme. Under the first part, a firm is eligible for the special allowance if it manufactures a product not ordinarily produced in Canada. The second part of the programme provides that, even if a product is already made in Canada, a firm may be eligible for double depreciation if it is located in a designated Surplus Manpower Area and the product is not ordinarily produced in that particular area.

In the past year considerable interest has been shown in the programme by Canadian industry. Over 500 official enquiries were received and the Division reviewed applications, assets of which totalled nearly \$100 million. About \$60 million are from firms located in Surplus Manpower Areas. As a result of these approvals, a wide variety of new products will be manufactured. They include new types of steel, chemicals, electronics, plastics, foods, paper, textiles and many other products. At present, applications having a value of over \$55 million are being reviewed by the Division.

Under the present legislation, the programme is to continue until December 31, 1962.

### EXTERNAL TRADE SERVICE

One of the most important functions of the Department of Trade and Commerce is to develop and maintain Canada's foreign trade. While the activities of many branches contribute towards this objective, three in particular have special responsibilities in this field—the Canadian Government Exhibition Commission, the Trade Commissioner Service and the Trade Publicity Branch. These three branches, grouped together under the Assistant Deputy Minister (External Trade Promotion) provide a wide range of services of interest to Canadian firms already engaged in export or interested



in exploring the export prospects for their products. Highlights of the activities of the branches comprising the External Trade Service during the past year are contained in the following sections.

### Canadian Government Exhibition Commission

The Canadian Government Exhibition Commission under its terms of reference is responsible for preparing all Canadian exhibits outside of Canada in any exhibition in which the Canadian Government decides to participate. On trade fairs and trade exhibitions it acts on the recommendations of the Departmental Committee on Trade Fairs Abroad concerning the government's trade fair programme for each year.

In all other types of exhibitions where two or more departments are concerned, the Commission acts on the recommendations of the Interdepartmental Advisory Committee on Canadian Information Abroad. The Committee is chaired by a senior official of the Department of External Affairs. Within Canada, with the approval of the Deputy Minister of the Department of Trade and Commerce, the Commission may produce exhibits and displays for the various government departments and agencies. Funds for such exhibits or displays are provided out of the budgets of the departments concerned.

During the past few years, the Commission's activities have materially increased and the present location at 479 Bank Street has become too small to provide for efficient and economical operation. Plans were made in 1961 to move to new and larger premises on Kaladar Road but, unfortunately, arrangements could not be completed in time for the move to be made in 1961. However, the Commission has been advised that the move will take place in April of 1962.

There were 163 projects constructed by the Commission in 1961, 26 of which were in various stages of production at the end of the year. In addition, the Commission was responsible for the design and construction of the Canadian Trade Fairs in Lagos, Nigeria and Accra, Ghana. At the close of the year, eight of the Commission's staff were in Lagos, Nigeria, preparing for the opening of the first fair on January 17, 1962.

During the year, the Commission was also engaged in preparations for Canada's participation in the Seattle (Century 21) World's Fair. Most of the construction for this participation was completed in the Commission's workshops by the end of the year.

In 1960, Canada decided to maintain a Canadian Court in the Commonwealth Institute in London, England, which is visited each year by some 750,000 British school children. A new pavilion, which will house permanent exhibits of the various Commonwealth governments, is being constructed by the Institute and is scheduled to open in the late summer of 1962. Designs and much of the construction for the informational and educational exhibit in the Canadian Court have been under development during the year.

While a major share of the Commission's activities are concerned with the implementation of the trade fair programme, its services were used also by the following departments and agencies: Agriculture; Atomic Energy of Canada Limited, Chalk River; Atomic Energy of Canada Limited, Commercial Products Division, Ottawa; Canadian Broadcasting Corporation; Canadian Government Travel Bureau; Central Mortgage & Housing Corporation; Citizenship & Immigration; Council of Northwest Territories; External Affairs; External Aid; Fisheries; Labour; National Capital Commission; National Defence; National Harbours Board; National Gallery, National Health & Welfare; National Research Council; Northern Affairs & National Resources; Post Office; and Transport.

During the year, representatives of the Commission accompanied exhibits to Czechoslovakia, Britain, France, Germany, Peru, Poland, Switzerland, United States of America and Yugoslavia.

With the increased participation in trade fairs in Britain, the London, England, branch of the Canadian Government Exhibition Commission has had its heaviest and busiest period at any time during the past several years. In addition to assisting in the production and installation of these exhibits, the London branch prepared a considerable number of window displays and small exhibits from material used at previous exhibits and stored in the Commission's London warehouse. These exhibits were circulated throughout different towns and cities of Britain.

### **Trade Commissioner Service**

The overseas arm of the Department, the Trade Commissioner Service, continued to promote Canada's foreign trade interests around the world. More than 130 officers were maintained at 64 posts in 46 different countries. Appendix "I" records the locations of their respective offices.

In addition, in view of Canada's breadth, offices were operated in Vancouver, B.C., and St. John's, Newfoundland, to act as a link for the Department with businessmen on the Pacific and Atlantic coasts.

### **Trade Promotional Activities**

The duties of a Trade Commissioner include securing market and credit information for the Canadian exporter; conducting market surveys; recommending suitable agents; reporting on export opportunities; and supplying up-to-date information on tariffs, import quotas and exchange controls.

Maintaining close liaison with local government officials and businessmen is an integral part of a Trade Commissioner's work. In addition, he is called upon to recommend and organize Canadian trade exhibits in foreign fairs; to arrange for and participate in Canadian trade missions travelling abroad; and frequently to attend international conferences as Canada's delegate.

Trade Commissioners from selected posts attended the Regional Trade and Industrial Promotion Conferences held for businessmen in Canada by the Department in co-operation with provincial governments.

The commencement of the Department's enlarged programme of trade missions towards the end of 1961 involved all posts in the planning of missions. Posts in Britain, Europe and the United States received and made arrangements in their territories for the five missions which were undertaken before the end of the calendar year.

Trade Commissioners were instrumental in setting up 1,562 agency or buying connections for Canadian exports and more than 16,600 enquiries from Canadian exporters about foreign markets were received at the various posts and processed. These figures represent a substantial increase in activity compared with 1960 and can be attributed in part to the increased trade promotional activity undertaken by the Department in Canada, highlighted by the Export Trade Promotion Conference held in Ottawa in December, 1960, and the Regional Trade and Industrial Promotion Conferences held during 1961. The handling of enquiries from foreign buyers concerning Canadian products also comprised an important part of the work.

A gauge of the effectiveness of the trade promotional activities is the fact that the total of new business influenced in various ways by all Trade Commissioners during the calendar year 1961 was more than \$120 million, of which \$39 million can be directly related to interest generated by the Export Trade Promotion Conference. In addition to this total, attention should be drawn to the substantial role of the Trade Commissioner in Hong Kong in the negotiations leading to the multi-million dollar Canadian-Chinese wheat agreement.

### **New Posts Opened**

During 1961, two new Trade Commissioner offices were opened: Philadelphia, United States of America, in June, and Dusseldorf, Germany, in November. The office at Leopoldville, Congo, was closed in March.

### **Personnel**

As of December 31, there were 157 officers on strength in the Trade Commissioner Service, of whom 131 including six other officers seconded from other branches of the Department were on duty in offices outside Canada. Twelve recruits, taken on during the year, were in training in Ottawa.

Canadian clerical and stenographic staff are posted in a number of offices abroad. To make adequate provision for security, these Foreign Service Employees are to be stationed at an increased number of posts and the need for further recruitment to meet objectives is expected to continue for some time. At the end of 1961, 45 Foreign Service Employees were on strength, stationed at 23 overseas offices as well as at Ottawa.



The successful functioning of the Trade Commissioner Service would not be possible without the loyal assistance and support of personnel engaged locally in the posts abroad. At year end, over 360 local employees were on strength.

### Trade Publicity Branch

The Trade Publicity Branch is primarily concerned with furthering the Department's trade promotion activities through publicity measures. In much the same way as private industry utilizes various media to attract the attention of prospective customers to its products or services, the Trade Publicity Branch undertakes through advertising, trade promotional brochures and periodicals, press releases and films, to stimulate a demand for Canadian products and to make Canada known as a possible source of supply in other countries.

In Canada, the Branch employs similar publicity measures to acquaint Canadian businessmen with special programmes being undertaken by the Department to increase both domestic and foreign trade as well as to draw their attention to the various services available to them from the Department on a continuing basis.

An important facet of the Branch's work is the distribution of departmental press releases, copies of Ministerial statements and addresses, and speeches by senior departmental officials. In addition to widespread distribution in Canada, these are also mailed to Canadian Trade Commissioners as background information for their own use and that of publications in their respective territories.

The Branch also co-ordinates the Department's programme of Canadian participation in trade fairs in other countries.

### Organization

No organizational changes were made during the course of the year. On December 31, 1961, the Branch consisted of three divisions—the Editorial and Art Services Division, the *Foreign Trade* Division, and the Trade Fairs Abroad Division.

### *Foreign Trade and Commerce Extérieur*

The principal media through which information on market and economic conditions in foreign countries is made available to Canadian businessmen are *Foreign Trade*, the Department's fortnightly publication, and *Commerce Extérieur*, its French-language counterpart, which is published monthly. The articles are written for the most part by Canadian Trade Commissioners posted abroad and, to a lesser extent, by other officers in Ottawa.

Several new features were introduced during 1961, many of them the result of suggestions made by exporters whom the editor consulted. Among



these was a section, "What's Current in Commodities" in which market possibilities for the various groups of products covered by the Commodity Branches are systematically reviewed. Another was a tabulation, area by area, of the practice and procedure in protesting bills of exchange. Other features during the year included articles on trading with the various Eastern European countries, continuing reports on export successes of Canadian companies, and a special issue on December 2 marking the first anniversary of the Export Trade Promotion Conference and reporting on some of its results. The useful series, "Markets in Brief", was continued with concentration on the Latin American countries.

The paid circulation of *Foreign Trade* rose by slightly over 6 per cent in 1961, aided by valuable publicity at the Regional Trade and Industrial Promotion Conferences and by various promotion pieces put out by the Branch. The paid circulation of *Commerce Extérieur*, however, declined by about 13 per cent, despite efforts to increase it. University students in commerce, finance, international trade and related courses, were once again offered a year's subscription to *Foreign Trade* or *Commerce Extérieur* at the reduced rate of \$1.00 a year and many took advantage of this offer.

### Other Publications

The Branch, as the publishing organization of the Department, produced an unprecedented number of publications in 1961. As in previous years, a booklet containing information on the Canadian firms participating and the products exhibited was produced for each of the trade fairs in which the Department sponsored participation by Canadian firms. Twenty such booklets were produced in the past year as compared with thirteen in 1960.

Similarly, separate booklets containing biographical details of the mission members, itinerary and information on the Canadian industries represented, were prepared for the trade missions organized and sponsored by the Department. As in the case of the trade fair publications, these booklets were produced in the languages in common usage in the countries concerned.

A new general promotional folder *For You From Canada* for selective distribution by Canadian Trade Commissioners at trade fairs and to businessmen in their respective territories was produced as a replacement for the folder *Canada Calling*. This folder is particularly noteworthy as it is the first promotional publication produced by the Department using process colour photographs throughout.

The expansion in the services available from the Department, particularly in the domestic commerce field, was reflected in the increased number of publications produced for distribution to businessmen in Canada. This trend toward a higher proportion of publications prepared for the information of Canadian businessmen is expected to continue in 1962.

The trade promotional periodical *Canada Courier*, started in 1960, was produced quarterly throughout the year. Designed to inform businessmen in other countries about Canadian goods and services available for export,

new processes and developments in Canada, and other items of commercial interest, it has proven to be a success. Distribution is effected through Canadian Trade Commissioners to manufacturers, importers, agents, banks, government officials, daily, weekly and financial publications, and other firms and individuals in their territories who may be interested in Canada as a source of supply for their requirements.

## Services to the Press

Countless enquiries and requests for information on trade, Canada's economy and industrial development, were received from newspaper and other correspondents seeking facts and figures for use in articles, many for reproduction in United States and overseas publications.

## TRADE POLICY SERVICE

Since the earliest days of her history, Canada has lived by export trade. This is no less true today with exports accounting for more than 25 per cent of our national income. During our formative years as a nation, our trade relations were relatively simple and straightforward. Our exports comprised mainly the riches of our fields and forests, our mines, our rivers and our oceans. They were of high quality and they were competitive in price. While we faced competition and tariff barriers, these offered slight resistance to these Canadian products which all the world wanted to buy.

This situation has changed radically. In recent years, foreign trade has been carried out under increasingly complex conditions stemming from such new factors as the formation of new trading blocs, international agreements relating to trade, monetary and commodity matters, surplus disposal programmes and import and exchange restrictions due to balance of payments difficulties. As the complexities of international trading relations increased, the need for a group of officials well informed on trading conditions in the principal markets of the world became apparent. Consequently, the Department established a team of experts skilled in trade policy and negotiation under the direction of the Assistant Deputy Minister (Trade Policy) to safeguard and improve the terms of access for Canadian exports in foreign markets. Details of the operation of this group during the past year are contained in the following section.

### International Trade Relations Branch

The activities of the Branch are directed to safeguarding and improving terms of access for Canadian exports in foreign markets. As a service to Canadian exporters, the Branch provides expert information, advice and assistance on tariffs, import and exchange controls, documentation requirements, and other foreign governmental regulations affecting trade. Policies and practices in other countries which affect international trade are kept

under close and continuing review so as to maintain comprehensive and up-to-date information on developments and to publicize new measures of interest to Canadian exporters.

In the field of Canada's international trade and commercial policy, the Branch is concerned with the conduct of Canada's commercial relations with other countries, including the negotiation and administration of trade agreements and Canada's participation in international conferences in these fields.

The Branch is organized into a General Relations Division and five Area Divisions—Commonwealth, United States, European, Asia and Middle East, and Latin American. The Trade Commissioners in all of our foreign missions report to the Department through the Area Divisions and work directly with the Branch in the performance of its activities.

During 1961, the Branch in carrying out its service function to Canadian exporters, dealt with an increased number of enquiries regarding governmental regulations affecting Canadian exporters. The increase resulted in part from the need of the Canadian exporting community for information concerning the effect of regional arrangements in Europe and Latin America and in part from increased interest in exporting due to increased trade promotional activity undertaken by the Department during the year.

In the field of commercial relations, particular attention was focussed on Canada/United States trade relations, the implications for our trade with Western Europe, particularly with Britain, of European regional developments, the tariff conference in Geneva and developments in the OECD related to trade and aid. In addition, the developments in the West Indies, related to possible federation of the area, were the subject of special study by the Branch. In our relations with Latin America, the Branch paid special attention to negotiations among the LAFTA countries leading to the implementation of their free trade area and the possible implications of these developments for Canada's trade with that area.

Officials of the Branch were members of Canadian delegations to a number of international conferences and meetings in 1961. These included the regular sessions of the Contracting Parties to the General Agreement on Tariffs and Trade in Geneva in May and October, meetings of the GATT Council, and various special meetings of the GATT including those dealing with problems in trade in agricultural products, balance of payments, restrictions and relations with Switzerland. Branch officials were also included in the Canadian Delegation to the GATT Tariff Conference which opened in Geneva in September 1960 and continued throughout 1961. In addition, officials took part in the Senior Commonwealth Officials' meeting in London in May. In the agricultural sector, officials participated in International Wheat Council meetings in London in June, September and November, in Wheat Utilization Committee meetings in Washington in May and October, and in Canada-United States Quarterly Meetings on Wheat and Related Matters held in Washington and Ottawa. Other international meetings in which members



of the Branch took part included trade discussions with the British West Indies in Port-of-Spain in August, annual consultations under the Canada-U.S.S.R. Trade Agreement in Ottawa in July, and a meeting of the Development Assistance Group in Tokyo, also in July. In connection with all of these international conferences and meetings, as well as numerous others involving the Organization for Economic Co-operation and Development and other organizations, the Branch was involved in the preparation of detailed briefing.



**Part III**  
**Appendices**



## Appendix "A"

### Legislation Administered by the Department of Trade and Commerce

1. Legislation for which the Department is administratively responsible:

Department of Trade and Commerce Act

Electricity Inspection Act

Export Act

Export and Import Permits Act

Gas Inspection Act

National Trade Mark and True Labelling Act

Precious Metals Marking Act

Weights and Measures Act

2. Other Legislation, reported to Parliament though the Minister of  
Trade and Commerce:

Export Credits Insurance Act

National Design Council Act

National Energy Board Act

National Productivity Council Act

Northern Ontario Pipe Line Crown Corporation Act

Statistics Act

## Appendix "B"

### Directory of Boards, Crown Companies and Agencies

Reporting to Parliament through the Minister of Trade and Commerce

*Dominion Bureau of Statistics—*

Dominion Statistician, W. E. Duffett

*Eldorado Aviation Limited—*

President, A. B. Caywood

*Eldorado Mining and Refining Company Limited—*

President, W. M. Gilchrist

*Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

*National Design Council—*

Chairman, John C. Parkin

*National Energy Board—*

Chairman, Ian N. McKinnon

*National Productivity Council—*

Chairman, H. George DeYoung

*Northern Ontario Pipe Line Crown Corporation—*

President, D. A. Golden

*Northern Transportation Company Limited—*

President, W. M. Gilchrist

The activities of these organizations are described in their respective annual reports.



## Appendix "C"

### Distribution of Departmental Staff as at December 31, 1961

	1959	1960	1961
Administration Branch .....	170	185	184
Agriculture and Fisheries Branch .....	26	23	26
Canadian Government Exhibition Commission ....	84	90	100
Commodities Branch .....	110	105	117
Depreciation Certification Division .....			9
Economics Branch .....	36	39	41
Economic and Technical Assistance Branch .....	54	62	
Energy Studies Branch .....	4		
Industrial Promotion Branch .....	29	32	35
International Trade Relations Branch .....	44	57	64
National Design Branch .....			7
Small Business Branch .....	10	8	10
Standards Branch .....	386	397	416
Trade Commissioner Service .....	490	511	570
Trade Fairs Abroad Office .....	5		
Trade Publicity Branch .....	19	24	30
	<u>1,467</u>	<u>1,533</u>	<u>1,609</u>
The above figures do not include the following:			
Board of Grain Commissioners .....	912	910	*
Canadian Government Elevators .....	234	203	*
Dominion Bureau of Statistics .....	1,661	1,880	1,805
	<u>4,274</u>	<u>4,526</u>	<u>3,414</u>

\*Transferred to the Department of Agriculture by P.C. 1960-1580 of November 17, 1960.

## Appendix "D"

### Head Office Directory (As at December 31, 1961)

This directory is intended as a useful reference for the businessman who wishes to consult Head Office personnel on particular problems. Correspondence should be addressed to branch directors. Local government telephone numbers follow each name. In Ottawa, dial 9, followed by the local; when calling from out of town, call the government switchboard, CEntral 2-8211, and ask for the local only.

#### Trade and Commerce Building, Wellington and Lyon Sts., Ottawa

	Gov. Local
<b>Minister: The Honourable George Hees</b> .....	2-0336, 2-0337
Executive Assistant: M. R. Jack .....	2-7052
Private Secretary: Mrs. Reta Taylor .....	2-0337
<b>Deputy Minister: James A. Roberts</b> .....	2-2888, 2-5838
Executive Assistants: D. H. Cheney, C. J. MacCallum .....	2-2380, 2-0819
<b>Administrative Services: Comptroller-Secretary, Finlay Sim</b> .....	2-7411, 2-2262
Personnel Branch—Director: L. J. Rodger .....	2-5430
Economics Branch: Director, V. J. Macklin .....	2-5658
<b>Assistant Deputy Minister (External Trade Promotion): H. Leslie Brown</b> .....	2-2530, 2-0798
<b>Assistant Deputy Minister (Trade Policy): J. H. Warren</b> .....	2-4042, 2-2649
<b>Assistant Deputy Minister (Commodities and Industries): Denis Harvey</b> .....	2-5417, 2-7056
<b>Assistant Deputy Minister (Domestic Commerce): B. G. Barrow</b> .....	2-8431, 2-8502

#### External Trade Services

<b>H. Leslie Brown, Assistant Deputy Minister</b> .....	2-2530, 2-0798
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#### **Canadian Government Exhibition Commission (479 Bank St.)**

Director: Glen Bannerman .....	2-7412, 2-3558
Administrative Officer: A. D. Simmons .....	2-6795
Chief, Design Section: T. C. Wood .....	2-3671

#### **Trade Commissioner Service**

Acting Director: T. R. G. Fletcher .....	2-8286
Executive Director: T. M. Burns .....	2-6835

#### **Trade Publicity Branch**

Director: C. J. Van Tighem .....	2-2479, 2-6394
Assistant Director: J. Fergus Grant .....	2-2186

#### **"Foreign Trade" and "Commerce extérieur"**

Editor: Miss O. Mary Hill .....	2-6588
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#### **Editorial and Art Services Division**

Chief: F. R. Hamilton .....	2-6435
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#### **Trade Fairs Abroad Division**

Chief: D. G. W. Douglas .....	2-8269
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## Trade Policy Services

J. H. Warren, Assistant Deputy Minister ..... Gov. Local  
2-4042, 2-2649

### International Trade Relations Branch

Acting Director: R. E. Latimer ..... 2-2250

Assistant Director: V. L. Chapin ..... 2-2981

### General Relations Division

Chief: ..... 2-7696

### Asia and Middle East Division

Acting Chief: J. L. Mutter ..... 2-5642

### Commonwealth Division

Chief: A. W. A. Lane ..... 2-2421

### European Division

Chief: W. G. Pybus ..... 2-8727

### Latin American Division

Chief: B. S. Shapiro ..... 2-7641

### United States Division

Chief: J. R. Downs ..... 2-5176

## Domestic Commerce Services

B. G. Barrow, Assistant Deputy Minister ..... 2-8431, 2-8502

### Industrial Promotion Branch

Director: B. R. Hayden ..... 2-7886

Assistant Director: G. A. Browne ..... 2-4143

### Research Division

R. Billard ..... 2-6777

### New Products Division

P. Vachon ..... 2-4181

### Import Analysis Division

Chief: G. P. Bourne ..... 2-5909

### Regulations and Publications Division

Chief: J. H. O'Connell ..... 2-3713

### National Design Branch

Director: Carl J. Lochnan ..... 2-0342

Assistant Director: E. P. Weiss ..... 2-0341

### Small Business Branch

Director: J. J. McKennirey ..... 2-4737

Information: N. Grafman ..... 2-7573

### Standards Branch (Standards Bldg., Holland Ave., Tunney's Pasture)

Director: R. W. MacLean ..... 2-2132

Assistant Director: E. F. Power ..... 2-2956

### Electricity and Gas Division

Chief: E. F. Power ..... 2-2956

### Weights and Measures Division

Chief: C. S. Phillips ..... 2-2000

### Laboratory Division

Chief: W. J. S. Fraser ..... 2-2575

# Domestic Commerce Services—Concluded

## Standards Branch (continued)

	Gov. Local
<b>Commodities and Precious Metals Marking</b>	
G. R. Lewis .....	2-7074
<b>Depreciation Certification Division</b>	
Chief: B. F. Armishaw .....	6-6904

## Commodities and Industries Services

Denis Harvey, Assistant Deputy Minister .....	2-5417, 2-7056
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### Agriculture and Fisheries Branch

Director: D. A. Bruce Marshall .....	2-4301
Assistant Director: G. E. Woollam .....	2-7634

#### Fisheries Division

Chief T. R. Kinsella .....	2-7385
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#### Livestock and Animal Products Division

Chief: K. L. Melvin .....	2-3172
Livestock, meats and meat products: J. Kaffezakis .....	2-6350
Dairy and poultry products: .....	2-3172
Furs, sugar, beverages: D. H. Burns .....	2-4161

#### Plant Products Division

Acting Chief: A. J. Stanton .....	2-7523
Fruits, vegetables and products: J. B. Mountain .....	2-0914
Special crops, feeds, seeds: E. T. Banting .....	2-6350
Grocery and confectionery products: W. J. Curran .....	2-6350
Oils, fats and oilseeds: .....	2-7523

#### Grain Division, Room 467, Confederation Bldg.

Chief: R. M. Esdale .....	2-5830, 2-5648
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### Commodities Branch

Director: A. M. Tedford .....	2-6905
Assistant Director: E. C. Thorne .....	2-7163
Assistant to Director: D. F. Alger .....	2-5680

#### Appliances and Commercial Machinery Division

Chief: G. W. Rahm .....	2-6950
Business equipment and office machinery: W. H. Grant .....	2-3209
Radio and television, scientific instruments, hospital equipment: J. A. Findlay .....	2-6958
Hardware, plumbing and heating equipment: D. C. Meyers .....	2-6383
Electrical and gas appliances: P. C. Fredenburgh .....	2-6552
Commercial machinery equipment and supplies: O. A. Sulzenko ....	2-6552
Hardware, houseware, tools: G. Weber .....	2-7956

#### Chemicals Division

Chief: G. E. McCormack .....	2-5993
Assistant Chief: G. A. Ferguson .....	2-6075
Fertilizers, synthetic resins, rubber: G. A. Ferguson .....	2-6075
Pesticides, adhesives, cleaning compounds, etc.: R. B. Ball .....	2-6075
Petroleum, heavy organic chemicals: T. V. Harquail .....	2-7601
Pharmaceutical products, inorganic chemicals: J. G. Touchette ....	2-5177
Paints, coal tar, light organic chemicals: A. G. Billingsley .....	2-6075



# Commodities and Industries Services—Concluded

## Commodities Branch (continued)

Gov. Local

### Engineering and Equipment Division

Acting Chief: R. C. Wallace .....	2-4082
Consulting engineering, aerial surveying, nuclear energy:	
R. C. Wallace .....	2-4082
Engineering projects, industrial electrical equipment: R. C. Wallace .....	2-4082
Agricultural and automotive equipment, vehicles, aircraft, ships,	
railway rolling stock: G. C. Clarke .....	2-3873
Communications and electronic equipment: D. L. Draper .....	2-6479
Machine tools, heavy industrial machinery: J. R. Johnson .....	2-7546
Construction contracting, light industrial machinery, process equip-	
ment, nuclear reactors: L. T. Hansson .....	2-5859

### Forest Products Division

Chief: M. N. Murphy .....	2-0273
Logs, other round material, lumber and sawmill products:	
O. Hickie .....	2-4863
P. H. Jones .....	2-5811
J. M. Monaghan .....	2-5811
Manufactured wood products: A. D. Monkhouse .....	2-6974
Wood pulp, newsprint and other papers: F. T. Carten .....	2-6974
Paper and paper products: C. M. Shaw .....	2-5127

### Metals and Minerals Division

Chief: J. M. Rochon .....	2-8422
Iron and steel: R. P. Mulvihill .....	2-5823
Non-metallic minerals: R. P. Mulvihill .....	2-5823
R. T. B. Harvey .....	2-5159
Non-ferrous metals: R. J. Hurley .....	2-3823
Statistics: W. L. Power .....	2-3823

### Textiles and Consumer Goods Division

Chief: A. C. Fairweather .....	2-6197
Assistant Chief: E. G. Gerridzen .....	2-7815
Handicrafts, chinaware, jewellery, photographic equipment:	
R. A. Drouin .....	2-5337
Ladies' wearing apparel, linens: E. G. Gerridzen .....	2-7815
Leather, rubber and plastic products: W. L. Herman .....	2-0518
Recreational supplies, musical instruments, toys: P. G. Jones .....	2-4160
Textile fibres and fabrics, miscellaneous men's wearing apparel, jute	
products, waste: R. M. Josephson .....	2-3004
Watercraft, marine supplies, optical goods: G. A. Taylor .....	2-5378

### Transportation and Trade Services Division

Chief: G. M. Schuthe .....	2-6236
Assistant Chief: H. A. Hadskis .....	2-2737
Head, Transportation and Communications Section: J. H. Hiland .....	2-5851
Head, Export and Import Permits Section: G. L. Tighe .....	2-3640
Head, Directories Section: R. W. Bedard .....	2-6681

### Translation Branch

Chief: Emile Boucher .....	2-2760
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## Appendix "E"

### Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1958-59 to 1960-61

ORDINARY	<u>1958-59</u>	<u>1959-60</u>	<u>1960-61</u>
Minister's Salary and Motor Car Allowance.....	\$ 17,000	\$ 17,000	\$ 17,000
General Administration			
Departmental Administration.....	2,371,548	2,482,332	3,063,804
Trade Commissioner Service			
Administration and Operation.....	3,307,498	3,683,166	4,411,042
Construction or Acquisition of Buildings, Land, Equipment and Furnishings.....	148,948	48,630	103,155
Exhibitions			
Exhibitions Generally.....	701,912	841,117	855,443
Canadian Participation in the Brussels Uni- versal and International Exhibition 1958.....	697,640	—	—
Standards Branch.....	2,245,246	2,351,718	2,530,358
Dominion Bureau of Statistics			
Continuing Operations.....	7,836,433	8,164,273	9,488,239
Expenses in connection with the 1958 Survey of Farm Income and Expenditure.....	406,007	59,042	11,636
Expenses in connection with the 1961 Decen- nial Census of Canada.....	—	155,897	906,059
Board of Grain Commissioners*			
(Canada Grain Act)			
Salaries of the Commissioners.....	42,000	42,000	—
Administration.....	161,833	157,494	—
Inspection and Weighing of Grain, and Related Services.....	4,309,937	4,245,082	—
Canadian Government Elevators			
Operation and Maintenance.....	1,485,646	1,462,720	—
Construction or Acquisition of Buildings, Works, Land and Equipment.....	141,542	144,117	—
	<hr/> \$23,873,190	<hr/> \$23,854,588	<hr/> \$21,386,736 <hr/>

# SPECIAL

	<u>1958-59</u>	<u>1959-60</u>	<u>1960-61</u>
Temporary Wheat Reserves Act*			
Payment of Carrying Costs of Temporary Wheat Reserves owned by the Canadian Wheat Board.....	\$38,401,372	\$42,344,483	—
Payments under Prairie Grain Advance Payments Act*.....	893,210	756,391	—
Payments under Prairie Grain Provisional Pay- ments Act*.....	—	3,713	—
To reimburse The Canadian Wheat Board for the loss incurred by it on its operations in respect of oats for the crop year August 1, 1956 to July 31, 1957*.....	2,132,586	—	—
International Economic and Technical Co- operation Branch**.....	333,133	325,455	—
Payments in connection with National Produc- tivity Council Act.....	—	—	983
Pensions and Other Benefits to former locally engaged employees of offices abroad.....	1,986	2,872	3,907
Gratuities to Families of Deceased Employees....	550	—	860
	<u>\$41,762,837</u>	<u>\$43,432,914</u>	<u>\$ 5,750</u>
TOTAL: Ordinary plus Special.....	\$65,636,027	\$67,287,502	\$21,392,486

## 2. Expenditures, by Main Headings Only

For comparative purposes the following table has been  
compiled on a calendar year basis.

	<u>1959</u>	<u>1960</u>	<u>1961</u>
Minister's Salary and Motor Car Allowance.....	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
General Administration.....	6,090,311.48	6,638,036.10	8,163,204.56
Exhibitions.....	954,696.67	834,200.31	1,083,101.68
Standards Branch.....	2,311,419.39	2,471,475.57	2,666,663.70
Dominion Bureau of Statistics .....	8,598,149.74	9,238,395.92	24,744,184.98
Canada Grain Act*.....	5,906,791.61	6,309,870.47	—
Canadian Wheat Board*			
Temporary Wheat Reserves Act.....	41,365,303.48	50,156,830.03	—
Prairie Grain Advance Payments Act.....	1,020,124.20	863,704.97	—
Prairie Grain Provisional Payments Act.....	—	18,483.88	—
International Economic and Technical Co-operation Branch**.....	331,507.69	367,126.24	—
Payments in connection with the National Productivity Council Act.	—	—	157,989.02
Pensions and Other Benefits.....	2,171.43	4,854.84	4,523.62
	<u>\$66,597,475.69</u>	<u>\$76,919,978.33</u>	<u>\$36,836,667.56</u>

### 3. Statement of Revenue

For the fiscal years 1958-59 to 1960-61

	1958-59	1959-60	1960-61
Canada Grain Act*.....	\$ 2,749,474	\$ 2,620,757	—
Canadian Government Elevators*.....	2,048,124	2,098,842	—
Weights and Measures Inspection Services.....	802,149	1,036,861	1,077,610
Electricity and Gas Inspection Services.....	905,042	851,584	858,265
Electricity and Fluid Exportation Act***.....	1,190,360	856,070	—
Eldorado Mining and Refining Limited, (Dividends on Shares).....	3,525,000	4,230,000	4,935,000
Northern Ontario Pipe Line Crown Corporation—Interest on Loans.....	3,077,794	4,074,072	4,298,503
Export Credits Insurance Corporation—Excess of premiums over amount required to meet expenses and overhead arising out of insurance contracts entered into under Section 21 of the Export Credits Insurance Act.....	191,927	1,495,009	935,240
Miscellaneous.....	72,215	79,598	81,384
<b>TOTAL.....</b>	<b>\$14,562,085</b>	<b>\$17,342,793</b>	<b>\$12,186,002</b>

\* By P.C. 1960-1580, November 17, 1960, the powers, duties or functions of the Minister of Trade and Commerce under the Canada Grain Act were transferred to the Minister of Agriculture.

By P.C. 1960-1397, October 11, 1960, the powers, duties or functions of the Minister of Trade and Commerce under the Canadian Wheat Board Act were transferred to the Minister of Agriculture.

Expenditures and revenues for the year 1960-61 were transferred to the Department of Agriculture.

\*\* By P.C. 1960-1476, October 28, 1960, the functions of the Economic and Technical Assistance Branch were transferred to the Department of External Affairs.

Expenditures for the year 1960-61 were transferred to the Department of External Affairs.

\*\*\* From October 1, 1959, this tax was collected by the Department of National Revenue, Customs and Excise Division, as authorized by an Act to amend the Excise Tax Act, c. 23, 1959.



## Appendix "F"

### Projects of the Exhibition Commission

#### Part I—Projects Sponsored by the Department of Trade and Commerce

##### *International Boat Show, Earls Court, London, England*

January 4-14, 1961.

Attendance: 250,000

Space occupied: 440 sq. ft.

Twenty-six firms participated in this showing with a variety of marine equipment, boats and hulls. Five of the six boats shown were sold on site. This was the first time Canadian manufacturers have been in this show. Results were excellent.

##### *National Association of Homebuilders Convention, Chicago, Illinois*

January 22-26, 1961.

Attendance: 10,000 approx.

Space occupied: 1,880 sq. ft.

A wide range of sports goods and sports equipment supplied by 30 Canadian manufacturers and staffed by their representatives, was shown in the Morrison Hotel.

##### *National Association of Homebuilders Convention, Chicago, Illinois*

January 29-February 4, 1961.

Attendance: 10,000 approx.

Space occupied: 400 sq. ft.

With the co-operation of Canadian Lumber Associations a two-storey exhibit featured all types of Canadian lumber and plywoods of interest to home builders and dealers. Representatives of the lumber industry assisted in staffing.

##### *Daily Mail Ideal Home Exhibition, London, England*

March 6-31, 1961.

Attendance: 1,200,000

Space occupied: 10,660 sq. ft.

This was one of the larger projects for the year. The exhibit was divided into four main sections:

- (1) A booth area with 45 individual booth exhibitors.
- (2) A composite area displaying the products of 34 firms.
- (3) A feature area with a demonstration stage and movie screen.
- (4) An administration area with a private office and lounge, information counters, and a storage and changing room.

A wide range of foods and commodities was on display. Canadian dresses and other garments were modelled in three fashion shows daily.

##### *Fur Industries Salon, Paris, France*

April 12-17, 1961.

Attendance: 2,000 est.

Space occupied: 900 sq. ft.

A representative collection of raw and dressed pelts and finished garments was shown in this Salon. Canadian mink was featured in this showing. Open to trade only.

*Milan International Trade Fair, Milan, Italy*

April 12-27, 1961.

Attendance: 4,000,000

Design, photos and decorative material were supplied for an information office manned by the Trade Commissioner.

*European Fur Fair, Frankfurt, Germany*

April 20-23, 1961.

Attendance: 13,000

Space occupied: 1,100 sq. ft.

A representative display of raw and dressed pelts and finished garments featuring Canadian mink was shown. Fashion models showed finished garments. Representatives of Canada Mink Breeders were in attendance at this showing and 241 interviews were given.

*Engineering, Marine, Welding and Nuclear Energy Exhibition, London, England*

April 20-May 24, 1961.

Attendance: 75,000

Space occupied: 2,500 sq. ft.

Twelve Canadian firms participated in this specialized showing with all exhibits manned by firm representatives.

*British Columbia International Trade Fair, Vancouver, B.C.*

May 3-13, 1961.

Attendance: 85,000

Space occupied: 280 sq. ft.

An informational exhibit illustrating the services of the Department of Trade and Commerce was designed and built on site for this fair. The exhibit was manned by Departmental personnel.

*Leather Importers, Factors and Merchants' Association Exhibition, Hotel Rubens, London, England*

May 16-18, 1961.

Attendance: 800

Space occupied: 270 sq. ft.

Seven Canadian tanners exhibited sample leathers in this hotel-room-type exhibition which was limited to members of the trade.

*Design Engineering Show, Detroit, Michigan*

May 22-25, 1961.

Attendance: 12,000

Space occupied: 2,160 sq. ft.

The products of 17 firms were on display in this specialized show. Exhibits were manned by company representatives.

*Canadian National Exhibition, Toronto, Ontario*

August 18-September 4, 1961.

Attendance: 2,935

Space occupied: 1,056 sq. ft.

An exhibit illustrating the services of the Department of Trade and Commerce both to the consumer public as well as to the businessmen was produced and installed. A feature of the display was the new method of standardized sizes of children's clothing. Staffed by Departmental personnel.

*International Packaging Exhibition, London, England*

September 5-15, 1961.

Attendance: 60,500

Space occupied: 1,632 sq. ft.

This was the first time Canada had participated in this show. A total of 31 firms or associations took part showing paper, paperboard, plastic and other packaging materials. Staffed by Departmental personnel.

*U.S.A. Instrument-Automation Conference and Exhibit, Los Angeles, California*

September 11-15, 1961.

Attendance: 15,000

Space occupied: 2,256 sq. ft.

Twenty Canadian firms participated in the specialized showing of instrumentation systems and controls in the Memorial Sports Arena. Nearly all exhibits were manned by firms' representatives as well as Departmental personnel. Attendance restricted to trade only.

*Provisions and Fine Foods Exhibition (Anuga), Cologne, Germany*

September 23-October 1, 1961.

Attendance: 100,000 approx.

Nineteen food and beverage firms and 12 frozen poultry firms participated. Highlight of the exhibit was a cooking demonstration with the various types of products demonstrated being passed out for sampling. This was an industrial exhibit with no individual booths.

*Montreal International Trade Fair, Montreal, Quebec*

October 5-15, 1961.

A twenty-foot display illustrating the services of the Industrial Development Branch was constructed and placed in this fair. The exhibit was manned by Departmental personnel.

*Pacific International Trade Fair, Lima, Peru*

October 12-29, 1961.

Attendance: 700,000

Space occupied: 7,000 sq. ft.

The products of 61 Canadian firms were on show in our own pavilion constructed on site. A wide range of Canadian products was on display, including consumer goods, mineral products, chemicals, electronic, mining and industrial equipment.

*National Metals Congress & Exposition, Detroit, Michigan*

October 23-27, 1961.

Attendance: 15,000

Space occupied: 2,000 sq. ft.

The products of 13 Canadian firms in the metal and metal machinery industry were shown. The Tool and Die Manufacturers Association of Canada, the Department of Defence Production and the Industrial Development Branch were also represented. All booths were manned by firms concerned.

*Euroba Bakery Exhibition, Brussels, Belgium*

October 28-November 12, 1961.

Attendance: 85,000

Space occupied: 2,000 sq. ft.

In co-operation with the Canadian Wheat Board a display featuring the high baking quality of Canadian wheat, grading and the modern grain handling methods employed in Canada was installed for this show.

*National Retail Lumber Dealers Association, Chicago*

November 4-7, 1961.

Attendance: 25,000

Space occupied: 400 sq. ft.

In co-operation with Canadian Lumber Associations, a two-storey exhibit featuring all types of Canadian lumber, plywood, shingles and wood products was installed in this show.

*Building Trades Exhibition, London, England*

November 15-29, 1961.

Attendance: 65,000

Space occupied: 1,508 sq. ft.

A display of lumber, plywood and other wood products plus a model frame house built of Canadian lumber was installed.

*28th Exposition of Chemical Industries, New York*

November 27-December 1, 1961.

Attendance: 10,000

Space occupied: 750 sq. ft.

Seven firms and the Industrial Development Branch participated in this specialized showing. All exhibits were manned.

*National Association of Homebuilders Convention, Chicago, Illinois*

December 3-7, 1961.

Attendance: 25,000

Space occupied: 400 sq. ft.

With some changes, the exhibit prepared for the National Retail Lumber Dealers Association was installed in this exhibition.

## Part II—Projects Undertaken and Sponsored by Other Departments

### ATOMIC ENERGY OF CANADA LIMITED

*Western Fair, London, Ontario*

September 8-16, 1961.

Attendance: 250,000

Space occupied: 5,000 sq. ft.

A display of nuclear equipment was designed and produced and the exhibit installed at this specialized show.

Other small displays were produced for showing in the Canadian Association of Radiology, Mediscope and Atomic Industrial Forum.

In addition, two designs for display were produced and a small Theratron display refurbished.

### CANADIAN BROADCASTING CORPORATION

A large transportation map was mounted, framed and installed under glass in the C.B.C. Board Room.

Several other small jobs mounting photographs, coloured transparencies and text printing were also carried out.

### CANADIAN PATENTS AND DEVELOPMENT LIMITED

A small display was produced for the Canadian Electronic Conference.

### CENTRAL MORTGAGE AND HOUSING CORPORATION

Four exhibits were produced:

*Housing the Elderly*

*Urban Renewal*

*National Housing Act*

*Bank of Nova Scotia exhibit*

One other display was refurbished and boxed.

### COUNCIL FOR NORTHWEST TERRITORIES

Medium display designed and produced.

### DEPARTMENT OF AGRICULTURE

*Institute of American Poultry Industries, Fact Finding Conference,  
Kansas City, Missouri*

February 11-13, 1961.

Attendance: 3,800

A twenty-foot display sponsored by the Poultry Division depicted the inspection, grading, packing and marketing of Canadian eggs and poultry.



## DEPARTMENT OF CITIZENSHIP & IMMIGRATION

Ten three-panel displays, other display panels, photo mounting, signs, texts, and captions were produced during the year.

## DEPARTMENT OF EXTERNAL AFFAIRS

*Grüne Woche Agricultural Fair, West Berlin, Germany*

January 27-February 5, 1961.

Attendance: 345,000

Space occupied: 2,000 sq. ft.

The exhibit built for Nebato portraying the quality and handling of Canadian wheat was adapted and renovated for this showing for External Affairs.

*International Bureau of Education, Geneva, Switzerland*

June 1961.

With the co-operation of the Canadian Education Association a completely new exhibit was assembled and shipped.

*Poznan International Trade Fair, Poznan, Poland*

June 11-25, 1961.

Attendance: 450,000

Space occupied: 3,776 sq. ft.

Sponsored by the Department of External Affairs and with the assistance of Trade and Commerce, an exhibit featuring the Aluminum Industry in Canada, illustrated with models, ingots and finished products was installed. Atomic Energy of Canada Limited had a Gammacell on display in this show. An 80-seat cinema occupied the remainder of the pavilion where Canadian films were shown continuously.

*Belgrade Technical Fair, Belgrade, Yugoslavia*

August 23-September 7, 1961.

Attendance: 836,000

Space occupied: 840 sq. ft.

An informational type exhibit with the theme "Peaceful Uses of Atomic Energy" featured a Theratron and Gammacell from Atomic Energy of Canada Limited.

*Brno International Trade Fair, Brno, Czechoslovakia*

September 10-24, 1961.

Attendance: 1,200,000

Space occupied: 1,690 sq. ft.

Main feature of this showing was the story of the Aluminum Industry in Canada with ingots and end products. Also shown was a Hycon Tester, Ground Detector and Gammacell from Atomic Energy of Canada Limited. The Gammacell was sold in Czechoslovakia.

*German Industries Fair, Berlin, Germany*

October 14-19, 1961.

Attendance: 395,000

Space occupied: 1,200 sq. ft.

Sponsored by the Department of External Affairs and assisted by Trade and Commerce, the display told the story of land, water and air transportation in Canada, effectively illustrated with models, photographs and graphics. A 90-seat cinema was in continuous operation with films on Canadian subjects.

*Panorama of Canada*

Average space: 2,000 sq. ft.

This information display on Canada was renovated and brought up to date. Over a period of four months it was successively installed in Washington, D.C., Arlington, Virginia, and Detroit, Michigan. It was then redesigned for Canadian viewing and installed in Uplands Airport, Ottawa, in December 1961.

Various other small jobs such as fitting up and shipping portable display units, panels, signwriting, mounting pictures and maps and making up aluminum identification plates were undertaken on behalf of the Department of External Affairs.

## DEPARTMENT OF FISHERIES

Model ship repainted.

## DEPARTMENT OF LABOUR

A number of hessian screens were produced.

## DEPARTMENT OF NATIONAL DEFENCE

Nine projects, mainly refurbishing of displays and models, picture framing and panels, were carried out for the Armed Forces.

## DEPARTMENT OF NATIONAL HEALTH AND WELFARE

*American National Health and Welfare Conference, Detroit, Michigan*

November 13-16, 1961.

Attendance: 4,781

Exhibit arranged and installed for this showing. Attendance limited to registered delegates.

*International Exhibition for Inland Navigation, Paris, France*

September 30-October 15, 1961.

Attendance: 125,000

Space occupied: 1,100 sq. ft.

This was a joint Canadian and United States project. An 8' x 51' model of the St. Lawrence Seaway, first used at the Brussels World's Fair in 1958, was the main feature with a map of Canada, Eastern United States and a map of North America. Coloured transparencies of the ports and one of the official opening of the Seaway showing President Eisenhower and Queen Elizabeth formed the background. The Welland Ship Canal was shown in a special insert.

## DEPARTMENT OF NORTHERN AFFAIRS

Four window displays, "Alaska", "Honeymoon", "Crossing the Border" and "West Coast", were produced for the New York and Chicago offices of the Canadian Government Travel Bureau. Considerable assistance was given in setting up their new San Francisco office.

For the National Parks of Canada, 22 publication panel displays and 4 panel display stands were produced as well as some minor jobs.

## DEPARTMENT OF TRANSPORT

A twenty-foot display on water safety was designed and produced for the Marine Regulations Branch.

One static display was refurbished and a small meteorological display produced as well as some photo mounting.

## NATIONAL CAPITAL COMMISSION

Plywood plaque produced.

## NATIONAL GALLERY OF CANADA

Two panel displays were produced:

*Heritage of Canadian Art*

*Heritage of France*

In addition, the Czech exhibit was checked, refurbished, packed and shipped.

## NATIONAL HARBOURS BOARD

Mural panel completed and installed.

#### NATIONAL RESEARCH COUNCIL

A twenty-foot display was designed and produced for showing at the Society of Motion Picture and Television Engineers Convention, May 7-12, 1961.

Display redesigned and renovated for showing at the Canadian Electronics Conference, Toronto, October 4-6, 1961.

#### POST OFFICE DEPARTMENT

Five stamp displays were produced. Two of them for international shows in Budapest and Buenos Aires.

## Appendix "G"

### Tariff Arrangements in Force as at December 31, 1961

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are: Australia, The West Indies, Bahamas, Bermuda, British Guiana, British Honduras, New Zealand, the Federation of Rhodesia and Nyasaland, Union of South Africa, and the United Kingdom and Colonies. Canada also exchanges preferences with Ceylon, the Federation of Malaya, Cyprus, and Sierra Leone and accords preferences to India, Pakistan, Ghana, Nigeria and Tanganyika. These agreements have been modified and supplemented by the GATT. In addition, Canada has trade agreements with Ireland and South Africa under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreements on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 40 contracting parties to the agreement. The names of these, and the dates of their accession, are given in the table which follows. In addition, Switzerland and Tunisia have acceded provisionally and arrangements were being made for Argentina's provisional accession. At the end of the year, Cambodia, Israel, Portugal and Spain were expected to become full contracting parties in the near future. Poland and Yugoslavia also participate in the work of the GATT. Four rounds of major multilateral tariff negotiations have been held under the GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1955-56. A fifth tariff conference opened in Geneva on September 1, 1960.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with the GATT. As an exception, however, the Canada-USA Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT.

Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.



Further particulars regarding tariff agreements and arrangements in force on December 31, 1961 may be summarized as follows:

## 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed Feb. 12, 1960, in force June 30, 1960.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.
	GATT effective Jan. 1, 1948.	
British Caribbean, Bahamas, Bermuda, British Guiana, British Honduras, Jamaica and The West Indies.	Canada—British West Indies Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement. The West Indies, Bermuda, British Guiana and British Honduras participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....	Relations continue to be governed by Trade Agreement of 1937 with United Kingdom. GATT effective July 29, 1948.	Canada and Ceylon exchange preferential tariff treatment.
Cyprus .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom.	Canada exchanges preferential treatment with Cyprus.
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom. GATT effective Oct. 18, 1957.	Canada accords British preferential treatment to Ghana, (except on cocoa beans). Exchange of most-favoured-nation treatment.
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation. GATT effective July 8, 1948.	Canada accords British preferential treatment to India. Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Malaya, Federation of...	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom. GATT effective Oct. 24, 1957.	Canada and Federation of Malaya exchange preferential tariff treatment.
New Zealand .....	Trade Agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.
Nigeria, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom. GATT effective Oct. 1, 1960.	Canada accords British preferential treatment to Nigeria.  Exchange of most-favoured-nation treatment.
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation. GATT effective July 30, 1948.	Canada accords British preferential treatment to Pakistan.  Exchange of most-favoured-nation treatment.
Rhodesia and Nyasaland, Federation of .....	Trade Agreement signed Feb. 6, 1958; effective Feb. 7, 1958.  GATT effective in Southern Rhodesia, May 19, 1948; extended to whole Federation, Oct. 29, 1954.	Canada exchanges preferential tariffs with the Federation of Rhodesia and Nyasaland.
Sierra Leone .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom. GATT effective April 27, 1961.	Canada and Sierra Leone exchange preferential tariff treatment.
Tanganyika .....	Relations continue to be governed by Trade Agreement of 1937 with the United Kingdom. GATT effective December 9, 1961.	Canada accords British preferential treatment to Tanganyika.  Exchange of most-favoured-nation treatment.
The West Indies (Trinidad, Barbados, Windward and Leeward Islands)	Trade relations continue to be governed by the Canada-British West Indies Trade Agreement (see British Caribbean above).	

Country	Agreement	Principal Terms
United Kingdom .....	Trade Agreement signed Feb. 23, 1937, effective Sept. 1, 1937; modified by exchanges of letters Nov. 16, 1938, and Oct. 20, 1947.	Various concessions are granted by each country including exchange of preferential tariff rates. The Agreement (as modified) includes provisions relating to the Colonies, Dependencies and Trusteeships.
	GATT effective Jan. 1, 1948.	

## 2. Arrangements with Non-Commonwealth Countries

Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg ....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union)	See Belgium-Luxembourg and Netherlands	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment.
	GATT effective July 31, 1948.	
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Cambodia .....	Franco - Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Cameroons .....	Franco - Canadian Trade Agreement of 1933 applied to Cameroons.	Since the creation of Cameroons as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Central African Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Central African Republic.	Since the creation of the Central African Republic as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chad .....	Franco - Canadian Trade Agreement of 1933 applied to Chad.	Since the creation of Chad as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943. GATT effective Mar. 16, 1948.	Exchange of most-favoured-nation treatment.
China .....	Modus vivendi signed Sept. 26, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Colombia .....	Treaty of Commerce with United Kingdom of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938. A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Congo, Republic of (Brazzaville) .....	Franco - Canadian Trade Agreement of 1933 applied to Congo (Brazzaville).	Since the creation of Congo (Brazzaville) as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Congo, Republic of (Leopoldville) .....	Belgo-Canadian Convention of Commerce of 1924 applied to the Congo.	Since the Congo's independence in 1960, Canada has continued to grant most-favoured-nation rates.
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment.



Country	Agreement	Principal Terms
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Dahomey .....	Franco - Canadian Trade Agreement of 1933 applied to Dahomey.	Since the creation of Dahomey as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with United Kingdom of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force Jan. 22, 1941. GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions.
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt .....	(See United Arab Republic)	
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948. GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories ....	Trade Agreement signed May 12, 1933; in force June 10, 1933. Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.
Gabon .....	Franco - Canadian Trade Agreement of 1933 applied to Gabon.	Since the creation of Gabon as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947. GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Guinea .....	Franco - Canadian Trade Agreement of 1933 applied to Guinea.	Since creation of Guinea as independent state in 1958, Canada has continued to grant most-favoured-nation rates.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and the United Kingdom on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951. Iran accorded m.f.n. treatment from Sept. 5, 1956.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.
Israel .....	Canada - United Kingdom Agreement of 1937 applied under the British Palestine Mandate.	Since the creation of the State of Israel in May 1948, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948.  GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Ivory Coast .....	Franco - Canadian Trade Agreement of 1933 applied to the Ivory Coast.	Since the creation of the Ivory Coast as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954.  GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council effective Mar. 1, 1955.	Canada grants most-favoured-nation tariff rates.
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Malagasy Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Malagasy Republic.	Since the creation of Malagasy Republic as an independent state in 1960, Canada has continued to grant most - favoured-nation rates.
Mali, Federation of .....	Franco - Canadian Trade Agreement of 1933 applied to Mali.	Since the creation of Mali as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Mauritania .....	Franco - Canadian Trade Agreement of 1933 applied to Mauritania.	Since the creation of Mauritania as an independent state in 1960, Canada has continued to grant most - favoured - nation rates.
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date. Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.

Country	Agreement	Principal Terms
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date. GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment.
Niger .....	Franco - Canadian Trade Agreement of 1933 applied to Niger.	Since the creation of Niger as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.  GATT effective July 10, 1948.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchange of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated in three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.



Country	Agreement	Principal Terms
Portugal, Portuguese adjacent islands and Portuguese overseas provinces	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Senegal .....	Franco - Canadian Trade Agreement of 1933 applied to Senegal.	Since the creation of Senegal as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
South Africa .....	Trade Agreement signed August 20, 1932; in force October 13, 1932.  Exchange of notes August 2-31, 1935; effective retroactively from July 1, 1935.  GATT effective June 14, 1948.	Exchange of British preferential rates on scheduled items. May be terminated on six months' notice. Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.  Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.  Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.
Sweden .....	United Kingdom - Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.  GATT effective May 1, 1950.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
Switzerland .....	United Kingdom - Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.  Switzerland has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.

Country	Agreement	Principal Terms
Syrian Arab Republic ....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Togoland .....	Franco - Canadian Trade Agreement of 1933 applied to Togoland.	Since the creation of Togoland as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey .....	Tunisia has acceded to the GATT provisionally. Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.  GATT effective Oct. 17, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Union of Soviet Socialist Republics .....	Trade Agreement signed Feb. 29, 1956, renewed April 18, 1960. Ratifications exchanged Sept. 16, 1960.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase from Canada twice as much as their sales to Canada up to \$25 million annually. At least half of Soviet purchases are to be in wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.
United Arab Republic .... (Egypt)	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT. GATT effective Jan. 1, 1948.	Most-favoured-nation treatment exchanged.
Upper Volta ..... (Voltaic Republic)	Franco - Canadian Trade Agreement of 1933 applied to Upper Volta.	Since the creation of Upper Volta as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953. GATT effective Dec. 16, 1953.	Most-favoured-nation treatment.

Country	Agreement	Principal Terms
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state in 1955, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom - Serb - Croat-Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

## Appendix "H"

### Location of Trade Commissioner Service Offices Abroad as at December 31, 1961

The 64 overseas posts were located in the following territories,  
at the centres indicated:

<b>Argentina</b>	<b>Hong Kong</b>	<b>South Africa</b>
Buenos Aires		Cape Town
<b>Australia</b>	<b>India</b>	Johannesburg
Canberra	Bombay	
South Melbourne	New Delhi	<b>Spain</b>
Sydney	<b>Indonesia</b>	Madrid
<b>Austria</b>	Djakarta	<b>Sweden</b>
Vienna	<b>Iran</b>	Stockholm
<b>Belgium</b>	Tehran	<b>Switzerland</b>
Brussels	<b>Ireland</b>	Berne
<b>Brazil</b>	Dublin	<b>Union of Soviet Socialist</b>
Rio de Janeiro	<b>Italy</b>	<b>Republics</b>
Sao Paulo	Rome	Moscow
<b>Ceylon</b>	<b>Japan</b>	<b>United Arab Republic</b>
Colombo	Tokyo	<b>(Egyptian Region)</b>
<b>Chile</b>	<b>Lebanon</b>	Cairo
Santiago	Beirut	<b>United Kingdom</b>
<b>Colombia</b>	<b>Mexico</b>	Belfast
Bogota	Mexico City	Glasgow
<b>Cuba</b>	<b>Netherlands</b>	Liverpool
Havana	The Hague	London
<b>Denmark</b>	<b>New Zealand</b>	<b>United States</b>
Copenhagen	Wellington	Boston
<b>Dominican Republic</b>	<b>Nigeria</b>	Chicago
Santo Domingo	Lagos	Detroit
<b>France</b>	<b>Norway</b>	Los Angeles
Paris	Oslo	New Orleans
<b>Germany</b>	<b>Pakistan</b>	New York
Bonn	Karachi	Philadelphia
Dusseldorf	<b>Peru</b>	Washington
Hamburg	Lima	<b>Uruguay</b>
<b>Ghana</b>	<b>Phillippines</b>	Montevideo
Accra	Manila	<b>Venezuela</b>
<b>Greece</b>	<b>Portugal</b>	Caracas
Athens	Lisbon	<b>West Indies</b>
<b>Guatemala</b>	<b>Rhodesia and Nyasaland</b>	Kingston
Guatemala City	Salisbury	Port-of-Spain
	<b>Singapore</b>	

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine *Foreign Trade*.)



## **Appendix "I"**

### **CANADIAN TRADE MISSIONS 1961**

#### **Sponsored and Organized by the Department of Trade and Commerce**

##### **Outgoing Missions**

Canadian Trade Mission of Construction Engineers to South America—February 1 to March 16, 1961.

—Mexico, Guatemala, Colombia, Curacao, Trinidad, Jamaica.

Canadian Poultry Mission to Britain and Europe—February 24 to March 23, 1961.

—Britain, The Netherlands, Denmark, West Germany, Switzerland.

Canadian Oilseeds Trade Mission to Europe—September 15 to October 13, 1961.

—Rome, Paris, Brussels, The Netherlands, West Germany, Britain.

Lumber and Wood Products Mission to Eastern United States—November 12 to December 1, 1961.

—Boston, New York, Philadelphia, Pittsburgh, Buffalo.

##### **Incoming Missions**

Greek Seed Potato Mission—August 13 to August 23, 1961.

—Ottawa, Fredericton, East Florenceville, Grand Falls, Saint John, Moncton, Charlottetown.

Japanese Livestock Mission—August 27 to September 10, 1961.

—Oakville, North Gower, Belleville.





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# ANNUAL REPORT

DEPARTMENT  
OF  
TRADE AND COMMERCE

1962







Seventy-First

ANNUAL REPORT

Department  
of  
Trade and Commerce  
1962

The Hon. Mitchell Sharp, *Minister*  
James A. Roberts, *Deputy Minister*



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ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1963  
Cat. No. C1-1962

OTTAWA, May 1, 1963.

To His Excellency Major-General Georges P. Vanier, P.C.,  
D.S.O., M.C., C.D.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Seventy-First Annual Report of the Department of Trade and Commerce covering the calendar year 1962.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

HON. MITCHELL SHARP,  
*Minister of Trade and Commerce.*





OTTAWA, May 1, 1963.

The Honourable Mitchell Sharp,  
Minister of Trade and Commerce,  
Ottawa, Canada.

Sir:

I have the honour to submit the Seventy-First Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1962.

Your obedient servant,

JAMES A. ROBERTS,  
*Deputy Minister.*



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## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, though the Act was not brought into effect until December 3, 1892. The first Minister of Trade and Commerce was sworn in four days later. And so it is that in 1962 the Department had been functioning for 70 years.

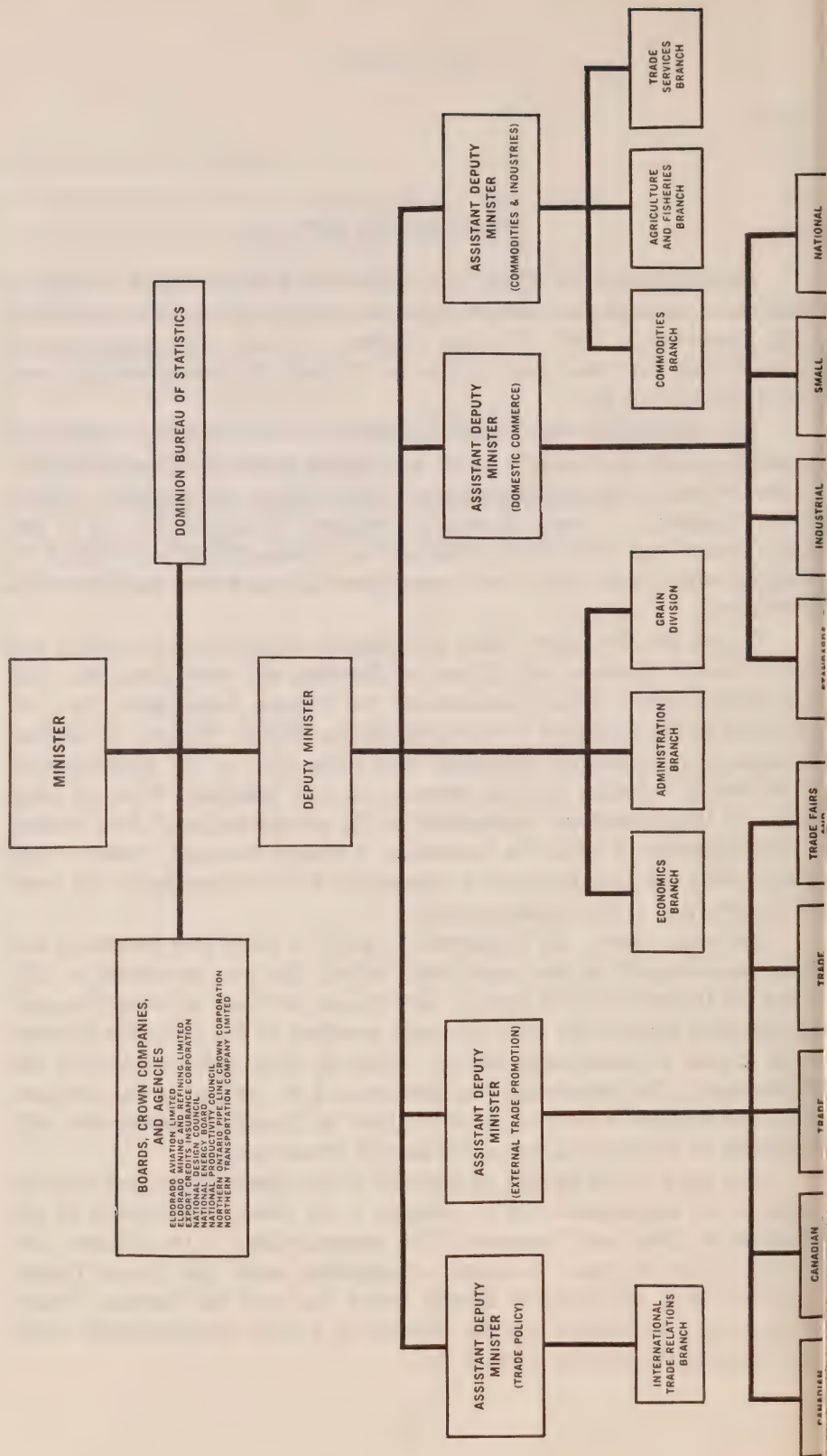
The Department was established because of "the rapidly and largely increasing trade of Canada". In the first annual report the Deputy Minister of the day stated "the executive powers, both positive and possible, assigned to the Minister . . . may, as occasion requires, be expanded so as to embrace duties not heretofore performed or contemplated and extend to avenues which may yield vast consequences to the future welfare of the Dominion".

During the first years, these multifarious duties involved control and supervision of Customs and of Internal Revenue and were concerned with the administration of the provisions of the Chinese Immigration Act, the direction of the Canadian Government Motion Picture Bureau, in addition to matters more directly concerned with trade such as the administration of steamship subsidies and the payment of mail subsidies. From its early days, the Department was responsible for the administration of Acts relating to the regulation of trade, the forerunner of today's Standards Branch. Until recent years the Department was responsible for the direction of the work of the Board of Grain Commissioners.

For many years, the Department's work in trade and commerce has been predominantly in the export field. In fact, this was prominent in 1892 when the Department took over the direction of the work of seven Honorary Commercial Agents who were the early members of the Canadian Government Trade Commissioner Service, which is thus older even than the Department. The Department has strengthened its services in the domestic field and supplies a wide range of facilities to Canadian businessmen with emphasis on industrial design and industrial development.

The work of the Bureau of Statistics is still closely associated with the work of the Department and the Bureau is the direct responsibility of the Minister of Trade and Commerce. The responsibilities of the Minister also include duties delegated to crown organizations under the Export Credits Insurance Act, the National Energy Board Act and the National Design Council Act, and shares with the Minister of Labour responsibilities under the National Productivity Council Act.

# DEPARTMENT OF TRADE AND COMMERCE



## STRUCTURE AND SERVICES OF THE DEPARTMENT

For effective organization, the work of the Department has been assigned among four major areas of responsibility, each under the supervision of an Assistant Deputy Minister, as in the organization chart on the opposite page. Information on the functions and activities of the various branches under the four services' headings are detailed in this report.

During 1962 the Trade Fairs and Missions Branch was set up in April and the Canadian Government Travel Bureau returned to the Department in November; the Trade Services Branch was organized and the Depreciation Certification Division was incorporated under the Industrial Promotion Branch.

### NEW INDUSTRIAL AND TRADE PROMOTION DEVELOPMENTS

During 1962, the Department engaged upon two new industrial and trade promotion developments which are worthy of special mention in this report.

#### Industrial Expansion Conferences

In 1962 the Department of Trade and Commerce, through its Domestic Commerce Service, initiated a new program to foster industrial growth in Canada. This took the form of a series of Industrial Expansion Conferences at which leading businessmen discussed ways and means by which Canadian production and procurement could be increased. The purpose of these conferences was to encourage businessmen to analyze their firm and industry operations in order to determine ways in which efficient new production could be undertaken and greater use made of Canadian components and supplies.

The first of these conferences, the National Industrial Expansion Conference, was held in Ottawa on September 7, 1962. More than 400 manufacturers, retailers and users of industrial materials from across Canada attended the one day conference. At the morning session of the Ottawa conference a panel of six distinguished Canadian businessmen presented their views about ways of attaining greater industrial growth in the light of their industry's experience. The afternoon session was open for questions and general discussion.

Following a suggestion made by businessmen, the Department of Trade and Commerce in co-operation with the provincial government departments concerned held two regional industrial expansion conferences in the remaining months of 1962 and plans were made for two more to be held in the first half of 1963. A Quebec Regional Conference was held in Montreal on November 8, 1962, in co-operation with the Department of Industry and Commerce of the Province of Quebec. The second Regional Conference in



Hamilton on December 12, 1962, was co-sponsored by the Department of Economics and Development of the Province of Ontario. A combined total of over 500 leading businessmen in Quebec and Ontario attended these two conferences.

The Regional Conferences followed the general form used at the Ottawa conference. One feature at each Regional Conference was a panel from the Northern Electric Company Limited to describe the Company's long-term program, which had greatly increased its production and procurement of Canadian components. This program was discussed by the Northern Electric officials from various aspects including the area of management decisions, the responsibilities of engineering staffs and purchasing policy.

In the afternoon sessions, the general meeting was divided into small groups where businessmen discussed in detail the ideas and suggestions arising from the morning session. Both conferences concluded with a summary of the principal views of the businessmen about the subject of the conference.

The conference provided businessmen with a first-hand opportunity to learn about and discuss actual cases where production and procurement in Canada was being increased appreciably on a competitive basis. In practically every case, panel members emphasized that the measures which they had initiated to increase production and procurement in Canada had resulted in greater savings and profits for their companies. Many firms have reported that the conferences had stimulated action in re-assessing their previous production and purchasing policies.

### **Samples Shows**

The new and vigorous program of external trade promotion commenced in December, 1960, with the Export Trade Promotion Conference in Ottawa (see page 42 of the Annual Report for 1960). This was followed in 1961 by a series of Regional Trade and Industrial Promotion Conferences (see page 37 of the Annual Report for 1961). On the external trade promotion side, a program of Samples Shows was initiated early in 1962 which included Samples Shows in Toronto in May, Montreal in June, and Winnipeg and Vancouver in October.

Canadian manufacturers of consumer goods, suitable for sale in department stores, supermarkets, chain stores and the like, exhibited their goods privately to buyers from principal centres of commerce in the United States. In addition to small and large orders placed at the shows or subsequently, and now aggregating well over a million dollars in value, the Canadian manufacturers enjoyed the many benefits of personal discussions with retailers who were happy to describe their needs in detail and give many useful suggestions on how best to sell consumer goods in the United States.



The number of exhibitors and American buyers at each of the four regional shows were as follows:

<i>Place</i>	<i>No. of Exhibitors</i>	<i>No. of Buyers</i>
Toronto (2 days) .....	122	123
Montreal (2 days) .....	135	128
Winnipeg (1 day) .....	51	58
Vancouver (1½ days) .....	48	64

(In April, 1963, a National Canadian Samples Show will be held in Toronto for manufacturers from all parts of Canada to meet for two days with buyers from the United States, the West Indies, Britain and Europe.)

### COMMODITIES AND INDUSTRIES SERVICE

The primary purpose of the Commodities and Industries Service is to provide sources of information on materials, products and services which Canada has to offer for export, and also information concerning the organization, the interests and policies of the industries which market them abroad. Knowledge is also required of the trade services which handle these commodities. To serve these purposes, an active liaison is maintained directly with industries and also with their various trade associations. Commercial intelligence is developed to support the Department's trade promotion programs. A directory of information is maintained on primary producers and manufacturers which are exporters, on export merchants and on export agents for the use of Trade Commissioners abroad. The Commodities and Industries Service forms a connecting link for the exchange of information between industry in Canada and the Trade Commissioner in the field.

The Commodities and Industries Service consists of three branches; two of these, the Commodities Branch and the Agriculture and Fisheries Branch, are responsible for this liaison work and development of commercial intelligence. The Commodity Officers in these branches are also responsible for arranging the product content of Canadian displays in trade fairs abroad in which participation is sponsored by the Department, and in many instances also for suggesting participation in trade missions organized by the Department; they may initiate suggestions for missions and fairs, act as co-ordinators of fairs and secretaries of missions when they go abroad and also assist in staffing Canadian displays in trade fairs abroad. In commodity fields such as forest products and metals and minerals, specialists are, from time to time, seconded to serve in posts abroad.

The Commodity Officer also serves as a source of information for the benefit of the International Trade Relations Branch, the Trade Publicity Branch, and other parts of the organization of the Department. When complex problems arise in, particularly, international commodity trades, it falls to the lot of the commodity specialist to maintain the situation under review, to develop an understanding of the industry's problems and of market

conditions. When difficulties lead to inter-Governmental consultations, the Commodity Officer may take a leading role. Reference is made in Appendix "B" to international conferences and other meetings in which Commodity Officers participated.

The third Branch of the Commodities and Industries Service is the newly formed Trade Services Branch. This Branch is responsible for services to exporters in the transportation and communication field. It also handles administration of the Export and Import Permits Act, under which control is exercised of exports of strategic materials. This Branch is also responsible for the administration of the regional offices in St. John's, Nfld., Halifax, Winnipeg and Vancouver.

### **Agriculture and Fisheries Branch**

The main function of the Agriculture and Fisheries Branch is export sales promotion of the products of Canada's agriculture and fishing industries. The Branch maintains a close liaison with the trade, producers and processors, provincial marketing boards, industry associations, and with other government departments both federal and provincial.

The Branch is organized into four divisions: Fisheries, Livestock and Animal Products, Plant and Plant Products and a Grain Division. The latter is a "joint unit" operating with the Department of Agriculture on domestic grain matters and with the Department of Trade and Commerce on export marketing.

The improved competitive position of industry resulting from the devaluation of the Canadian dollar brought about a renewed interest in export marketing with the volume of enquiries and requests for information reaching an all-time high. Many firms entered the export field for the first time while other firms were extending operations to new markets. The Branch organized participation in 11 food exhibits in six different countries during the year. Canadian furs were exhibited in France and Germany. Three "outgoing" missions and one "incoming" trade mission were organized by Branch officers.

An additional function of the Branch is to program, review and distribute information on foreign agriculture and fisheries policies, developments and trade opportunities. This information received from officers of the Trade Commissioner Service is collated and distributed to the Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board and other interested government departments as well as to the trade and trade organizations.

The Director represents the Department on the F.A.O. Interdepartmental Committee and participates in the Interdepartmental O.E.C.D. Panel on Agricultural Problems. The Branch provides the Chairman for the Canadian Fur Council and the Interdepartmental Committee on Fur Promotion.

## Fisheries Division

The year 1962 proved to be one of the most successful in the history of the fishing industry of Canada. Preliminary returns indicated that the total value of exports of fisheries products was the highest on record—and the overall demand for the various varieties and species of fish in world markets was strong.

Trade promotion highlights during the year included the first shipment since 1950 of an important quantity of dried salt cod to Mexico. Until last year, no significant sales of dried salt cod had been made by Canadian firms to Brazil, because of exchange rates which favoured exports from Norway, Iceland and other countries; now, however, Canadian exporters are in a better position to compete without discrimination from the other principal suppliers. There was also renewed interest in marketing eels in Europe from the Atlantic coast provinces.

The officers of the Division addressed trade organizations on the market outlook; completed special surveys on behalf of the industry; and visited the major fishing areas to assist exporters of fisheries products to maintain and increase their trade.

As a special service to the industry, the Department sponsored salt and frozen fish trade missions during the year. A salt fish trade mission visited Brazil, Trinidad, Barbados, Puerto Rico, Dominican Republic, Jamaica, and Cuba; while the frozen fish trade mission investigated market prospects in Britain, France, West Germany, and Italy. Representatives of the trade in Newfoundland, Nova Scotia, Quebec and British Columbia, in addition to officials from the Department of Fisheries and the Canadian Congress of Labour, participated.

Trade Commissioners, as well as fisheries specialists located in strategic areas, report at regular intervals on production and market trends in their respective territories. This information is condensed and transmitted to both industry and federal and provincial government fisheries officials from coast-to-coast. During the year over 200 special market and production bulletins were released by the Division. Articles were prepared on markets for Canadian fisheries products for publication in "Foreign Trade" and industry publications.

## Livestock and Animal Products Division

Exports of feeder and slaughter cattle to the United States declined slightly from the previous year. Beef and veal exports were also down but exports of pork and pork products were comparable to those in 1961.

Substantial numbers of purebred livestock were exported. The United States provided the largest export outlet for purebred cattle. A Russian delegation visited Canada during the year and purchased 340 head of beef cattle for herd improvement.



The Department sponsored the visit to Canada of a Japanese Livestock Mission between August 20 and September 2. The decision to invite the Mission was based on the knowledge that Japan is endeavouring to develop its livestock and poultry industries by importing high-quality breeding stock. The members of the Mission were officials of the Japanese Ministry of Agriculture and prefectural governments, officials of breed associations and an agricultural journalist. While in Canada, the Mission was shown a good cross-section of Canadian agriculture, including beef and dairy cattle farms, swine raising, poultry breeding establishments, a packing plant, a poultry processing plant, as well as experimental farms.

The members of the Mission were favourably impressed with what they saw and it is anticipated that, as a result, exports of purebred livestock and poultry breeding stock to Japan will increase.

The market in Britain for Canadian cheddar cheese was strong and exports exceeded those in 1961. Canadian cheese exporters showed an increasing interest in expanding their sales to other countries. Exports to the United States were limited by U.S. import restrictions.

Exports of concentrated milk products declined but exports of casein and caseinates reached a record high.

There was a significant increase in exports of eviscerated poultry during the year. Much of the increase went to West Germany and can be attributed in part to the poultry mission that visited Britain and Western Europe in 1961. Britain provided a growing market for frozen cooked poultry and the prospects for an increase in this trade are encouraging. Exports of eggs declined largely because Venezuela, which has been the most important export market for Canadian eggs in recent years, is now self-sufficient.

The Canadian honey industry continues to develop the British and European markets. Sales, which only a few years ago consisted entirely of bulk shipments, are now predominantly made up of consumer packages carrying Canadian brand names.

## **Plant Products Division**

The fruit and vegetable export industry experienced one of its best years in 1962. Export shipments of both the fresh and processed forms increased substantially over the previous year. The food processing industry adopted a more aggressive approach to export trade and substantial increases in exports were achieved.

The Fruit and Vegetable Products Export Promotion Council (FAVPEP) and a group export sales organization known as FAVEXSALES Limited were incorporated during the year for the purpose of expanding Canadian export trade in processed foods. As a service to these and other industry organizations the Division collected and analyzed information on



production and selling costs in Canada and abroad which assisted the industry in finding ways to reduce costs and price more competitively for export.

A Fruit and Vegetable Products Trade Mission to Western Europe can be credited with developing new export sales of various processed fruits and vegetables and in expanding outlets to additional areas in Britain and Continental Europe. Specific recommendations were made by the Mission which contributed to the lowering of costs and export prices necessary to maintain a competitive position in overseas markets.

A comprehensive study was completed on international trade in tobacco and the status of Canadian tobacco within this trade. A series of meetings was held with the tobacco industry organizations which led the way to greater promotional activities being undertaken by the industry and the Department. Assistance was given to representatives of Canadian tobacco producers and traders who visited the European markets during the year. As a result of newly established agencies and connections in Europe, flue-cured tobacco was sold to new areas as well as to additional buyers in traditional markets.

The Division's efforts to assist the potato producing industry resulted in substantial new business with Italy, Belgium and Argentina, and contracts of record values to supply Greece with seed potatoes. A program for the testing in Brazil of certain varieties of Canadian seed potatoes was also undertaken by the Division.

Promotional and commercial intelligence work continued on behalf of the oilseeds and vegetable oils industries. Special promotional-technical material on rapeseed and its products was prepared for the purpose of increasing sales in Europe and Japan. Changes in the grading regulations and certification for rapeseed for export, which had been recommended by the Canadian Oilseeds Trade Mission to Europe in 1961, were also made during the year. Efforts with the Department of Agriculture on the development of new and better oilseed varieties for export continued.

Emphasis was placed on the expansion of trade in bakery, confectionery and pasta products, particularly to the United States.

## Grain Division

During 1962, the Grain Division continued to function as a "joint service unit" of the Department of Agriculture with respect to domestic matters pertaining to grains and of the Department of Trade and Commerce on export marketing. Continuous liaison was maintained with the Canadian Wheat Board and the grain trade. In addition the Division continued to be responsible for trade promotion and liaison with the flour milling industry. The Division also facilitated the procurement of Canadian wheat and flour under the Colombo Plan and other assisted export programs, as well as sales financed through the facilities of the Export Credits Insurance Corporation.

During the crop year ending July 31, 1962, Canadian exports of wheat and flour were 358 million bushels, the third largest export movement on record. This was facilitated by the expansion of sales to non-commercial markets under Government sponsored credit arrangements, which amounted to 93.8 million bushels or some 26 percent of total wheat and flour exports. This left carryover stocks at the end of the crop year of 396 million bushels, as compared with the peak carryover of 733 million bushels at the close of the 1956-57 crop year. Following a bumper wheat crop in Canada and the near record level of world supplies, competition for export markets became very intensive during the first half of the 1962-63 crop year, requiring continued emphasis on aggressive selling policies, market reporting and promotional activities.

Studies of wheat and flour markets, including a survey of world export demand, were carried out with the co-operation of the Trade Commissioners who also provided regular reports on production and marketing in areas of particular importance to Canada. Close attention was given to the export subsidy and concessional sales programs of other exporting countries in relation to traditional markets for Canadian wheat and flour, and the Division was represented at the usual quarterly meetings on wheat and related matters with U.S. officials. The Division took part in a series of inter-departmental meetings concerned with the future of wheat and flour in the European Economic Community.

### **Commodities Branch**

In export trade promotion the Commodities Branch provides the main link with industry, maintaining close contact with the business community and familiarizing itself with production and supply conditions in Canada. Emphasis is placed on the search for products and services, the sale of which can be promoted abroad. The Branch is continuously seeking to expand its industrial contacts and to provide advice on conditions in the constantly changing world markets.

The Branch is organized into six divisions to cover Appliances and Commercial Machinery, Textiles and Consumer Goods, Forest Products, Chemicals, Metals and Minerals and Engineering and Equipment. These divisions are staffed by Commodity Officers who are specialists in such fields as engineering services and plant equipment, electrical and electronic equipment, transportation and agricultural equipment, ferrous and non-ferrous metals, lumber, pulp and paper, chemicals and petroleum products, rubber and plastic, as well as a wide range of commercial and consumer products.

Commodity Officers visit manufacturing plants and production facilities, attend and address meetings of business associations and study groups, and prepare product reports and market surveys. They analyze data, provide information on trade opportunities, and advise on the export potential of

products in markets abroad. In co-operation with the Canadian Government Exhibition Commission, they made arrangements for the display of commodities in 26 trade fairs throughout the world. They organized and accompanied 13 trade missions. As specialists, they are continuously analyzing reports from Trade Commissioners abroad to determine potential markets for commodities and services of interest to Canadian industry. They also served as delegates to 16 international commodity meetings and conferences to study world market conditions and to consider corrective adjustments in conjunction with industry advisors.

In addition an important phase in the work of the Commodity Officer in implementing the trade promotional programs of the Department is to provide encouragement and assistance to firms not previously experienced in international trade. Considerable success has been achieved during the year in introducing new firms to new markets and to the techniques of export trade.

### **Appliances and Commercial Machinery Division**

The year proved to be an active one for this Division due both to the accelerated trade promotion activities of the Department and to the upsurge of interest in exports displayed by secondary industry in Canada. As a result it was necessary to add two officers to the staff of the Division during the year.

High on the list of important projects during the year were the Samples Shows held in Montreal, Toronto, Winnipeg and Vancouver at which foreign buyers were invited to inspect Canadian products. This Division co-ordinated these affairs on behalf of the Commodities Branch and supplied much of the manpower for their organization and staffing. A total of 15 out-of-town trips by various members of the Division were necessary in the organization of these four shows.

Three trade missions were organized by this Division in 1962 and in each instance, a member of the Division acted as secretary to the mission and prepared the mission report upon its return to Canada. The three missions were: the Electrical Appliances Trade Mission to Europe (Britain, Norway, Sweden and the Netherlands); the Canadian Home Heating Equipment Mission to Europe (Britain, Holland, Germany and France); and the Canadian Appliances and Commercial Machinery Trade Mission to the Middle East.

Officers of the Division provided coordination and staffing for four trade fairs during the year. The largest of these were the Canadian Trade Fairs held in Ghana and Nigeria in January and February. Also during February, the Division participated in the International Household Goods and Hardware Fair in Cologne, West Germany. Two more fairs were co-ordinated in October and November, the Nigerian International Trade Fair



in Lagos and the National Hotel Exposition, New York City. Assistance was also given to other Divisions in the organization of six foreign trade fairs.

Highlights of commodity trade during 1962 included home entertainment products which sold in the U.S.A. at an increasing rate. Sales in that country exceeded two million dollars for the year. Tri-ply stainless steelware found a very good market in Australia, while in the hardware field a number of Canadian subsidiaries of foreign firms have developed good export markets in many Commonwealth and other countries. Exports of central heating equipment almost doubled in 1962. Although the best market was Britain, inroads were also made into Germany, France, Italy and Australia, all against keen competition. The U.S.A. is now being tackled successfully by Canadian manufacturers of office furniture and domestic dinette furniture but substantial results will not be apparent for another year.

Work has continued on projects to aid Canadian subsidiaries of foreign corporations to undertake exports from Canada. For this purpose, four special studies were completed during the year and resulted in the receipt of export orders worth many millions of dollars by these subsidiaries.

In addition to the special projects enumerated above, officers of the Division carried out their regular trade promotion activities. These included 23 tours of industry, and attendance at eight local conventions or industry trade shows.

### **Chemicals Division**

The activities of the Division were expanded and officers acted as secretaries to the Canadian Trade Mission to Australia and New Zealand and the Organic Chemicals Mission to South America, headed the Canadian delegation to the sixteenth meeting of the International Rubber Study Group in Washington, D.C., attended the Canadian Trade Fairs in Nigeria and Ghana and visited several other West African countries, participated in the Brno Trade Fair in Czechoslovakia and called on chemical buyers in several Eastern European countries.

Despite increased foreign travel, domestic tours of industry were more frequent than in 1961. Members of the Division also attended a number of exhibits and shows in Canada as well as several trade association meetings. Interest by industry in the development of export markets continued to increase and personal visits and correspondence with chemical firms rose substantially. Many firms were contacted which had never exported before and continuing efforts were made to encourage greater freedom to export for Canadian subsidiaries of foreign firms.

Liaison with industry was continued through attendance by the Division at the annual conferences of the Canadian Paint, Varnish and Lacquer Association and the Canadian Manufacturers of Chemical Specialties Association in addition to meetings of the Canadian Chemical Producers' Association and the Chemical Economics Division of the Chemical Institute of Canada.



The Division continued to participate actively in interdepartmental committees on energy statistics and problems related to shipments of dangerous goods. Technical assistance to other branches was maintained on tariff enquiries, and the Division has been frequently called upon for consultation in preparation for international trade negotiations. This work is of importance for the protection of Canadian trading interests in foreign countries.

The Division continued to keep in close touch with developments in the oil and gas industry and to provide information and assistance for both the Canadian industry and international enquiries.

### **Engineering and Equipment Division**

During the past year the export promotion program of the Engineering and Equipment Division included three trade missions; one in each of the heavy equipment, electrical distribution and electronic fields. One or more of the missions visited Argentina, Brazil, Chile, Colombia, Mexico, Peru, Venezuela, and Trinidad and Tobago and Jamaica in the West Indies.

Many direct sales have been attributed to these missions and possibly the greatest success achieved with this program is the interest that has been generated in Canada as a source of supply. Many of the individuals contacted in these countries expressed surprise at the fact that Canada had a manufacturing complex capable of providing the heavy equipment and sophisticated items required for the development of their countries.

As a result of these missions, South American countries have expressed interest in receiving quotations from Canadian industry and definite benefits should be realized from the increased participation by Canadian industry in quoting for their requirements. Also the new appreciation of Canadian industry's capabilities will no doubt increase Canada's ability to participate in the large scale projects planned for these countries.

In addition to benefiting industry, an indirect result has been the interest expressed in contacting Canadian consulting engineering firms capable of providing the engineering services for the investigation, design, supervision and initial operation of plant and facilities.

The Electronics Mission, in particular, was considered very timely because the Latin American countries are faced with a serious communication problem and are presently preparing five or ten year plans for expansion and integration of all countries into a common network. It is expected that Canadian industry will be given full opportunity to participate in the tendering for most, if not all, their requirements.

The Division's participation in trade fairs included the Design Engineering Show in Chicago, the Instrument Society of America Show in New York, the National Electronics Show in Chicago, the Western Tool Show at Los Angeles and the Rand Easter Show at Johannesburg. In addition to direct participation in the foregoing shows where an officer of the Division was

directly responsible for the co-ordination, the Division also participated in a minor capacity in shows in Europe and other areas.

Substantial sales by Canadian industry can also be attributed to this form of trade promotion and each additional success adds to the interest of Canadian industry in participating in the Department's trade promotional program. In the overall picture, export successes continue to increase in number with some emphasis being placed on equipment, systems and processes of sophisticated design and application. Foremost amongst these are the electronic communications, metal-working, industrial process and transportation fields.

There has been an encouraging increase in the number of Canadian firms entering the export market for the first time. In order to provide effective assistance, experienced and competent engineers were added to the staff of the Division. This has also permitted a closer appraisal of opportunities of a commercial nature which exist under the NATO Common Funded projects.

Particularly significant to the Department's export promotion is the success achieved during the past year by Canadian manufacturers in selling pulp and paper plant, hydro electric plant, electrical distribution systems, process plant, communication and transportation equipment in countries throughout the world. Their success is due in part to the financing facilities made available by the Federal Government and these funds have been significantly increased during the past year.

Dealing with the engineering firms, it is apparent that they are still the pioneer factor of any export trade promotion. The continued interest of those firms with whom we have dealt in the past and the added impetus of the new firms who have sought our help bodes well for continued export successes in the years to come. Those firms which have proven successful in exporting engineering services have greatly expanded their operations and, in many cases, have found it necessary or advisable to establish foreign subsidiaries.

The consortia approach to foreign work is gaining greater acceptance by Canadian engineers and manufacturers and at least verbal agreements have been reached whereby they will work as a team when the conditions are opportune.

### **Forest Products Division**

The forest industries experienced another prosperous year during 1962 which saw the overall level of pulp and paper exports rise by approximately 3 percent and lumber exports increase by 12 percent. These industries benefited greatly from the current favourable exchange rate as they depend to such a large degree on export sales for their revenues. In the year just past, Canadian newsprint producers maintained the same share (44 percent) of the total free world market as in 1961; this was achieved

in spite of exceedingly keen competition from other world suppliers. Lumber sales to Western Europe were up by a full 30 percent for the first ten months of the year; while notable gains in shipments of fine paper were made to Latin America.

Some of the more interesting achievements in exports during the year were: the breakthrough of British Columbia lumber producers into Spain and Portugal, significant increases in shipments of Western White Spruce to Britain and Eastern Spruce to Italy, and initial sales of prefabricated houses into Germany. The Division supplied secretaries on four forest products missions which went to Britain, Western Europe, Latin America and the Middle East respectively. These missions developed many new contacts and have resulted in substantial new export business. Last year the Division participated in twelve trade fairs in Britain, United States and Canada. Once again the annual surveys of world newsprint and woodpulp markets were carried out in co-operation with the Newsprint Association of Canada, the Canadian Pulp and Paper Association, and the Trade Commissioner Service. Officers of the Division took part in the Pulp & Paper and Timber Committee meetings of the OECD, as well as in the Conference of the European Coniferous Lumber Industry.

The Division was called upon to supply a timber specialist for the Department's trade office in Chicago. This was the result of both an intensified promotional program being conducted in that area, and because of increased interest and demand for Canadian lumber.

### **Metals and Minerals Division**

At the beginning of the year, a senior officer from the Division was posted to serve as metals and minerals specialist on the staff of the Minister (Commercial) in London, with responsibilities extending to the Common Market as well as Britain. This move was prompted by the growing importance of Britain and the Common Market countries to the Canadian metals and minerals industry and by increased Canadian participation in international organizations.

During 1962, there was considerable activity in international conferences and organizations affecting the Canadian metals and minerals industry. The fifth and sixth sessions of the International Lead and Zinc Study Group were held in Geneva, Switzerland during March and October 1962 respectively, with the head of the Canadian delegation acting as Chairman of the Study Group throughout the year. A total of seven meetings of the International Tin Council were held during the year. With the establishment of Special Committees in the sectors of industry and energy by the Organization for Economic Cooperation and Development during July 1962, new responsibilities devolved upon this Division in connection with the Special Committees for Non-Ferrous Metals, Iron and Steel and Coal. In each case, the Commercial Counsellor (Metals and Minerals) acted as



head of the Canadian delegation to these meetings as called upon, and the necessary briefing material was provided by this Division.

The Division co-ordinated the formation of two major trade missions during the year, the Canadian Trade Mission to Israel and the Canadian Iron Ore Trade Mission to Europe. In the former case, a member of the Division acted as secretary to the mission and accompanied it to Israel.

In trade fair activities, the Metals and Minerals Division co-ordinated and manned the Canadian exhibits at the Brno International Trade Fair in Czechoslovakia and the American Society for Metals Exposition and Congress in the U.S.A. The special steel exhibit, assembled during the previous year in conjunction with the Canadian primary iron and steel industry, was placed on display at the Canadian solo trade fairs in Ghana and Nigeria.

In order to remain informed on the latest technical developments affecting the metals industry, the Division participated in meetings of the Canadian Chapter of the American Society for Metals, the Canadian Secondary Materials Association, the Canadian Conference of Metallurgists, the Canadian Nuclear Association, the Canadian Exporters' Association, and the annual convention of the American Mining Congress in San Francisco. Material assistance to the work of the Canadian Technical Committee on the Shipment of Ore Concentrates was rendered through the compilation of detailed statistical and industry information. The Division also participated in the work of the International Organization for Standardization under the auspices of the Canadian Standards Association, in connection with the proposed development of international standards for iron ore and concentrates.

Individual export sales of note include major shipments of rails to Mexico and to India, increased shipments of crushed ornamental aggregates to the U.S.A. and the first sale of Canadian roofing granules to Belgium.

### **Textiles and Consumer Goods Division**

During the year the Division co-ordinated Canadian participation in, and supplied officers to man, the International Boat Show, London, the Leather Importers and Factors Association Exhibition, London, the Lyon International Trade Fair, Lyon, and the National Sporting Goods Show, Chicago. The Division recruited exhibitors for the Daily Mail Ideal Home Show in London, the Canadian Trade Fairs in Accra and Lagos, the Nigerian International Trade Fair in Lagos, the Rand Easter Show, Johannesburg, and the National Hotel Exposition in New York. In addition, at the request of the Mayor of Niagara Falls, the Division arranged a fashion show to be held in conjunction with the Niagara Falls Blossom Festival.

Two trade missions were organized by the Division. In January-February the Canadian Clothing Mission visited five countries in Europe accompanied by a member of this Division as secretary. In August and September the Leather Mission visited five countries in Europe with a secretary from this Division. The Division also co-operated in the visit of a



Toy Mission to Britain and Germany which was organized by the Toy Association. Visits of several groups of store buyers including textile and giftware buyers from Australia and a handicraft buyer from Britain were arranged and in one case a Commodity Officer from the Division accompanied the buyers during their Montreal and Toronto visits. The Chief of the Division was head of the Canadian delegation to the International Wool Study Group in London and was on the Canadian delegation to the International Cotton Advisory Committee Meetings in Washington.

In maintaining liaison with industry associations during the year, Commodity Officers attended conventions of the following associations: Society of Plastic Industries, the Tanners' Association, the Canadian Jewellers' Association, the Broom, Brush and Mop Manufacturers' Association, the Canadian Allied Boating Association, the Canadian Secondary Materials Association, the Children's Apparel Manufacturers' Association, the Montreal Dress Guild and the Toronto Dress and Sportswear Guild. At the request of the associations, Commodity Officers addressed meetings of the Children's Apparel Manufacturers' Association, the Tanners' Association, the Broom, Brush and Mop Manufacturers' Association and the Export Study Group of the C.M.A. in Montreal.

The Division was actively engaged in recruiting exhibitors and manning the Samples Shows in Montreal, Winnipeg and Vancouver. Commodity Officers also attended a number of domestic trade shows in order to increase their contacts with manufacturers and to provide assistance where possible in each commodity field represented by the Division.

The Division has also taken part in the upsurge of activity in the Industry Committees of the O.E.C.D. In liaison with the associations and firms concerned, questionnaires were completed for the Textile Committee and the Hides and Skins Committee covering industry statistics in these fields.

### **Trade Services Branch**

The Trade Services Branch came into being on April 1, 1962. Its three Divisions were set up, as part of a program of streamlining the Department's trade promotion organization, to bring together certain trade-supporting and related services previously handled in different branches but of value in many areas of the Department's work. Among these services are the study of transportation and freight traffic problems, the administration of export and import controls, the compilation of comprehensive trade directories for the Department's use, the administration of the Department's four regional offices in Canada, and the provision of certain general guidance to firms seeking entry into the export field.

### **Transportation Division**

The Division is concerned primarily with industrial transportation from the users' point of view and in relation to the promotion of export trade.

The Division keeps in close touch with developments and trends in shipping services and in freight rates by rail, road, water and air. Studies are made of the effect of changes in ocean freight rates and shipping services on Canadian export opportunities. In appropriate cases, representations are made to carriers in support of Canadian companies seeking rate adjustments to bring their transportation costs more nearly in line with costs borne by exporters in competing countries. Special rail rates have been renegotiated with the railroads to enable Canadian steel products to be shipped through ports of the Maritime Provinces during the winter season. The Division studies new techniques of shipment, and in the developing field of containerization participates in the Canadian Standards Association's Committee on Standard Freight Containers.

The Division compiles a quarterly analysis of ocean charter rates on selected bulk commodities, a summary of which is published in *Foreign Trade*. Current lists of Canadian chartering agents and brokers and of Canadian international freight forwarding firms are compiled and made available to exporters on request. A directory of ocean cargo liner services is maintained as a basis for prompt and complete replies to exporters' requests for information on shipping services. The Division is represented on a number of committees, such as the Canadian Port Committee and the Technical Committee on Dangerous Goods, and participates in other committees studying special problems, such as the Grain Storage Facilities Committee and the Technical Committee on the Shipping of Ore Concentrates.

### **Trade Controls Division**

The Division is responsible for administering the controls established under the Export and Import Permits Act. Allied to this responsibility is the maintenance of close consultation with corresponding control agencies of the NATO countries (except Iceland) and Japan in establishing a basic list of goods of a strategic nature and in co-ordinating measures for restricting or denying exports of such goods to destinations wherein their use might be detrimental to the security of the Free World. In co-ordinating control administration matters of mutual interest to Canada and the United States, the Division participates in periodic discussions with United States export control authorities.

During the year under review more than 8,500 export permit applications were received. Following complete reviews of items on the Export Control List, two revised Lists were approved and promulgated in Part II of *The Canada Gazette* of January 24 and December 12, 1962.

### **Allied Services Division**

The main responsibilities of the Division are the administration of the Department's regional offices and the compilation of specialized trade directories for the Department's use.

The St. John's office of the Trade Commissioner Service, together with two regional offices of the Department, one inaugurated in Halifax on December 12, 1961 and the other in Winnipeg on January 25, 1962, were brought under the administration of the Trade Services Branch with its formation. Subsequently, the function of the Vancouver office of the Trade Commissioner Service was enlarged and the office brought under the administration of the new Branch as of May 31, 1962.

The four regional offices provide liaison between the Department, the various provincial government departments concerned with trade and industrial development, and commercial and industrial firms located in each of the regions served. Through the regional organization, foreign market and credit information, details on export financing assistance, data on domestic and export trade, news of export opportunities, aid to small business, and various forms of assistance to firms interested in the development of the domestic market for their products are made available promptly. Assistance is also provided to firms interested in productivity methods and in good design, to enable them to meet competition more effectively in the home market and abroad.

The Directories Section of the Division compiles the Exporters Directory, a confidential list of firms engaged or seriously interested in exporting commodities or services. The information provided by these firms is essential to the Department in helping to develop export opportunities for Canadian products. The Directory, in kardex form, is distributed to Trade Commissioner posts abroad and kept up-to-date through periodic review and amendment as needed.

## **DOMESTIC COMMERCE SERVICE**

During 1962 the activities of the four branches of the Domestic Commerce Service were extended and, in particular, new programs were initiated in the fields of industry studies, the promotion of licensing arrangements, industrial design and small business management training. In order that these programs could effectively assist domestic industry, closer contacts were developed with industry groups, associations, and the business community in general. The branches provided a comprehensive range of services to businessmen on the various aspects of production and distribution, through information and assistance in such areas as new production opportunities, import analysis and sources of financing.

### **Industrial Promotion Branch**

The primary responsibility of the Branch is to foster industrial expansion in Canada, on an efficient and competitive basis, by assisting Canadian manufacturers to increase the output of existing product lines, to diversify



production through the addition of new products, to achieve greater fabrication of Canadian raw materials and to overcome barriers to increased efficiency. To accomplish these aims, Branch personnel maintain close liaison with businessmen, as well as with federal and provincial agencies. In addition, the Branch actively co-operates with various other groups, such as Chambers of Commerce, railways, banks, power companies, boards of trade, and the Canadian Manufacturers' Association.

Due to the greatly increased volume of requests from businessmen for assistance, the Branch has reorganized its activities in order to provide a wide range of services to industry and business. To provide Canadian manufacturers with the information they request on opportunities to increase production, for domestic and foreign consumption, seven new divisions have been established to cover the fields of wood and forestry products, food processing, chemical products, textile goods, metal fabrication and machinery production, and electrical equipment production. In all divisions, personnel have visited plants in many regions of the country in order to examine at first hand the problems and opportunities which affect the respective industries. These plant visits also form the basis for the program of industry studies which was inaugurated during 1961.

Through the co-operation of industrial associations and leading manufacturers, industrial missions have been organized to make tours of the facilities of efficient manufacturers of other countries. These missions will examine new methods of production, marketing procedures and new product lines; the possibility of licensing agreements to expand Canadian production will be explored. The information derived will be of advantage to both businessmen and government authorities in the formulation of their activities for the future.

Direct inquiries from Canadian and other manufacturers increased during the year, from 1,736 in 1961, to 2,366 in 1962. These were concerned with branch plants, licensing arrangements, investment opportunities, potential markets for products manufactured in Canada, and other types of information. In addition, many foreign and Canadian businessmen interested in exploring production opportunities were interviewed in Ottawa during the year, and Branch officers consulted with many others while on business tours in Canada and abroad.

Requests from Canadian manufacturers for information about domestic market possibilities to sustain their efforts to diversify and expand continued to increase during 1962. As a result, major import surveys—including studies of chemicals, several types of machinery, transmission towers and furniture—were initiated, and special investigations of the market for specific products were conducted.

The Branch continued to amend and prepare publications requested by the business community and others actively interested in industrial expansion. Prominent among these are a series of booklets dealing with the following subjects: *The Canadian Environment*; *Taxation in Canada*; *Forms*



of *Business Organization in Canada*; *Canadian Customs Duties*; *Financing New Industries in Canada*; and *The Small Business Manual*. These are distributed to businessmen, industrial development organizations, business consultants, trade associations, chartered banks, provincial governments and the Department's offices abroad.

A report entitled *Survey of Industrial Investment Projects 1961-62* was prepared and distributed during the year to a number of enquirers in industry. This report lists industrial projects whose investment value is \$500,000 or more, classified by the type of industry to which they belong.

The Branch increased its efforts to obtain foreign licensing arrangements for the manufacture of new products in Canada. Through advertising, the distribution of a special edition of the *Canada Courier*, and direct promotional efforts by Trade Commissioners abroad, firms outside Canada are being encouraged to offer their products for licensed production in Canada. In addition, Industrial Promotion Officers attended a number of industrial fairs in Germany, Britain and United States centers, where many inquiries were handled with successful results. As a supplement to this campaign, an informative booklet, *Manufacturing Opportunities in Canada*, accentuating the benefits of licensing arrangements to both Canadian and non-Canadian manufacturers is being published for wide distribution abroad.

The bulletin, *New Methods and Products for Licensing in Canada*, was issued in French and English regularly and distributed widely to Canadian manufacturers and to the trade and financial press where it is given extensive publicity. The bulletin contains information on new products and processes developed by organizations in other countries, which are available for manufacture in Canada under licensing or royalty arrangements. A similar bulletin, *Licensing Opportunities Abroad*, was issued regularly to Canadian manufacturers advising them of requests from foreign firms wishing to license Canadian "know-how".

The Depreciation Certification Division, established in 1961 to administer the Special Capital Cost Allowance Program for New Products, was incorporated as a unit with the Industrial Promotion Branch. The object of the program is to encourage the expansion and diversification of Canadian industry and to improve employment opportunities, particularly in Surplus Manpower Areas. In brief, the program permits a faster write-off of assets than is allowed under the normal depreciation regulations, thus providing taxpayers with additional working capital. From the inception of the program to November 30, 1962, special depreciation for assets valued at \$187 million had been approved.

There are two parts to the program. Under the first part, a firm is eligible for the special allowance if it manufactures a product not ordinarily produced in Canada. The second part of the program provides that, even if a product is already made in Canada, a firm may be eligible for double depreciation if it is located in a designated Surplus Manpower Area and the product is not ordinarily produced in that particular area.

Because of considerable interest shown by Canadian industry, the program has been extended for a further year to December 31, 1963. Over 400 inquiries were received and the Division reviewed applications, assets of which totalled over \$100 million. About half are from firms located in Surplus Manpower Areas. As a result of those applications approved, a wide variety of new products will be manufactured, including new types of steel, chemicals, electronics, plastics, foods, paper and textiles. At present, applications representing new assets valued at \$50 million are being reviewed by the Division.

During 1962, the Branch worked closely with many other government departments in the general field of industrial development to develop information of value to business interests. Exchanges were made, for example, with the Technical Information Service of the National Research Council, the Customs and Excise Branch of the Department of National Revenue, the Economics and International Affairs Branch of the Department of Finance, the Economics and Research Branch of the Department of Labour and the Departments of Mines and Technical Surveys, Forestry, and Defence Production. Close co-operation, moreover, with the Immigration Branch of the Department of Citizenship and Immigration resulted in the processing of a number of Settlement Division enquiries regarding immigrant industry.

Branch officers, during the year, participated in the Industrial Expansion Conferences and worked with representatives of provincial governments, municipalities and private industry on methods by which the capacity of Canadians to take advantage of industrial opportunities might be increased. The Branch was represented at the Fourteenth Annual Conference of the Provincial Governments' Trade and Industry Council in Niagara Falls, Ontario and at numerous conventions of trade and industrial associations.

### **National Design Branch**

The Branch's activities to assist businessmen in developing practical means to improve design in Canadian industry are now well underway. During the year, the first of a series of regional seminars, under the title "Design in Industry" was arranged in November at the University of Waterloo and attended by executives of manufacturing companies in that area of southern Ontario. Speakers, widely experienced in the practical application of contemporary industrial design methods and techniques, gave papers and led the panel discussions that followed. Actual case histories of company practice and of product development were presented and examined. The seminar afforded an occasion for manufacturers to explore effective ways in which design work in their own companies could be extended and improved and how the facilities of industrial design consulting firms and other designers are best employed. A display illustrating case histories of several successful products was prepared and exhibited during the seminar



for the benefit of participants. The response of businessmen was encouraging and the series is being extended through the next year with the second seminar to be held early in January in Winnipeg.

The Branch is now equipped to provide information to industry concerning the design facilities available to industry. A National Register of practising designers was installed during the year, and all engaged in the field of product and package design were asked to submit their names along with details of their training and experience for inclusion in the register. The register became sufficiently representative in the latter half of the year that manufacturers could be invited to utilize this service. It was at once evident that the service of the register meets a very real need and will come to be more and more widely used, with advantage not only to those engaged in production and marketing, but also for persons engaged in the design profession in making their skills more widely known and employed.

In order to further encourage and support the efforts of industry to introduce new and improved product design, it was decided, on the recommendation of the National Design Council, to establish a Design Centre in Toronto, as a permanent place of exhibition. The Centre will focus the attention of manufacturers, domestic and foreign buyers and the general public on the merits of good design through Canadian products which display this quality.

Initial steps were taken to develop a "Design Index" as a means of recognizing and publicizing Canadian products of a good design standard. Manufacturers have been invited to submit current products for evaluation by the Design Index Selection Committee, an independent adjudicating group set up by the National Design Council, comprising persons widely experienced in manufacturing, merchandising, industrial design, engineering, architecture and associated fields. During the selection committee's initial period of activity in the latter months of the year, some 100 products were chosen for inclusion in the Index. In the course of the next year, sets of the Index in the form of an illustrated, descriptive, ready-reference record will be placed in major centers in Canada and in selected offices of the Trade Commissioner Service abroad for convenience of reference by purchasing agents, retail buyers, importers and the general public. From the Design Index, products will be chosen for exhibition abroad and especially in the Design Centre in Toronto.

The Branch was instrumental in selecting a wide range of goods for certain exhibitions abroad, to illustrate contemporary industrial design in Canada. The diverse group of products shown ranged from school furniture and small appliances to kitchen utensils and vehicles suitable for travel over difficult terrain—snow, sand and swamp. The exhibition drew a large attendance and the Canadian display was very well received.

Applications were invited from students and practitioners in industrial design to compete for scholarships and research grants, which were made

available through the National Design Council. The Council recommended awards to assist the successful applicants with advanced training and to initiate two major research projects: an investigation of environmental factors in industry conducive to creative work, and a study of the application of industrial design practice in industry abroad. The results of the research undertakings will be published and are expected to make a useful contribution to the further development of good design in Canadian industry.

A survey of design in industry was carried out in Manitoba in collaboration with the provincial Department of Industry and Commerce. The purpose of the survey was to establish in what manner product design is now carried out in the province, to bring to light the problems inherent in the regional situation, and to provide a basis for consideration by provincial authorities of ways and means to foster and facilitate design improvement. Surveys on similar lines will be conducted progressively across the country through the next year.

Interest in design is widespread and, in addition to business interests, adult groups and societies as well as many teachers throughout the country apply to the Branch for information. With a view to encouraging and assisting the study of design appreciation, the first of a series of portable kits, comprising a series of illustrated and readily mountable cards has been prepared, accompanied by notes and suggestions for discussion. Preliminary work has been done on extending this series which will be complemented with slides for speakers to illustrate popular talks and lectures.

### **Small Business Branch**

The Branch provides assistance to the small business community in three basic ways by: (1) aiding businesses to help themselves; (2) studying conditions affecting the various phases of small business operation, e.g., purchasing, financing, selling, and recommending steps to improve them both to government and business; (3) providing direct help to individual firms, or associations of firms.

The two most effective ways of assisting small businesses to help themselves are: increasing the availability of management training courses, devised specifically to meet small business needs, and distributing useful information which is not readily accessible from other sources. The major Branch activity during 1962 was the development of a small business management training program which is eligible for financial support under the Technical and Vocational Training Federal-Provincial Agreement(s). This program, which was developed following an extensive review of small business management training activities in North America and Europe, is designed to assist provincial governments to provide training in many local communities at low cost and under circumstances which are suitable for busy small business owners and/or managers. The Small Business Branch is assisting the provinces in establishing such courses by determining the training needs of small



business in Canada, and by teaching superintendents appointed by the provinces to organize courses for businessmen at the community level. These will be conducted by part-time instructors who are experienced members of the local business community. The Branch is also developing training materials for the use of all provincial superintendents and instructors.

Information of particular use to small businessmen continued to be prepared. Branch publications much in demand in 1962 were: *Federal Services for Business; Courses for Businessmen*, a guide to evening courses, seminars, and correspondence courses offered by Canadian educational institutions; and *Selling to the Canadian Government*, a manual which outlines the kinds of requirements and procurement procedures of the Federal Government. In addition, work began on a *Guides to Information* program which is a low cost, broad coverage approach to assist small business to make much greater use of all existing sources of information.

The Branch continues to examine the conditions affecting many important phases of small business operation, namely, choosing a place and kind of business, finance and accounting, personnel, purchasing, technical operations and selling. A project was initiated to assist small businesses to check and improve their position vis-a-vis their markets by means of a leaflet setting forth certain general checks designed to enable them to improve their situation.

A review was made of small business association activities in Europe and plans were developed to acquaint Canadian business associations with them, and to encourage more extensive co-operative action in small business.

The Branch provided direct help to individual small businesses, or their associations, by acting as a contact point with the Government where they can obtain general information about the many services in government departments which can help them. Individual requests for advice were answered in respect of a wide range of subjects, such as establishing a business; types of business organizations; sources of capital; laws and regulations in respect of most aspects of business operations, including patents, copyrights, accounting, production, and marketing; government procurement and managerial techniques. The Branch also served as a focal point where small business problems and suggested solutions were discussed.

### Standards Branch

The administration of the statutory enactments in the field of measurement is the primary responsibility of the Standards Branch. The Branch administers the commercial application of standards in the fields of gas and electricity distribution, and in general trade for weight, volume and length determinations. This administration is two-fold: first, type approval of devices before sale and use, and second, in use inspection. This covers a broad range of equipment including scales of all capacities, tank trucks, oil prover equipment, meters of all types, transformers, telemetering units, and

installations incorporating such devices. Also, for many years the sale of precious metal articles such as jewellery, flatware and watches has been supervised by the Branch under statutory responsibility. A gradual trend has developed for stricter requirements in certain fields of advertising and labelling of commodities, and for standards which, when met by a manufacturer, would give him the means of so identifying his products. The Branch has taken an active part in this development.

The statutory enactments in the field of measurement are the Electricity Inspection, Gas Inspection, and Weights and Measures Acts. In the gas and electricity program for 1962, a total of 1,290,000 devices and installations were inspected, an increase of over 100,000 from the previous year. In these fields the Branch continued to act as agent of the National Energy Board in the inspection of export/import metering installations, and as in the past was called on to investigate the metering arrangements of network systems. Inspections of equipment in the field of general commerce continued at a high rate. Industry's demands for greater accuracy in all fields of measurement indicate the need for test equipment not only of greater capacity, but also of new design. The overall program of package inspection was maintained, and was extended in the manufacturing section.

In meeting these responsibilities the field staff has the support of the Branch's laboratory, which in addition to providing and maintaining inspection standards, is continually coping with new problems in the field of equipment approval, and in providing assistance to industry and to government departments in solving measurement problems. Some of these new avenues involved rectifier-type polyphase demand meters, telemetering systems, temperature compensated positive displacement gas meters, and of fundamental interest to fuel oil distributors, supply from central storage with volumes measured by low flow meters.

Inspection and assay indicated satisfactory compliance with the Precious Metals Marking Act by importers and manufacturers. The regulations issued under the National Trade Mark and True Labelling Act continued to be effective. The review of the hosiery regulations mentioned in 1961 was completed in co-operation with the trade, and revised requirements were issued. The Canada Standard garment size program was expanded and clothing made to the new sizes has appeared on the market. At the request of and in co-operation with the jewellery industry, rules have been established to eliminate misrepresentations of the jewel content of watches, clocks and other timing devices. Of broad interest to manufacturers and consumers is the formation of a committee, at the request of the Standards Branch, to study and if possible develop a system of performance and care labelling of textiles.

## EXTERNAL TRADE PROMOTION SERVICE

Much of the responsibility for trade and travel promotion abroad—and the consequent benefits to the economy derived therefrom—is centered in the



External Trade Promotion Service. Many branches of the Department are concerned with foreign trade but the five branches whose activities are described in the following sections are exclusively engaged in ways and means of promoting trade and travel. They offer a wide range of services to the Canadian business community and to the foreign importer or tourist interested in Canada as a source of supply or a place to visit. Many of these services are detailed in the ensuing paragraphs.

### Canadian Government Exhibition Commission

In 1962 the Canadian Government Exhibition Commission celebrated the Diamond Jubilee of its founding in May, 1902. From its founding until 1917, the Commission was under the administration of the Department of Agriculture. In 1917, it was transferred to the then Department of Immigration and Colonization where it remained until 1927, when it came under the administration of the Department of Trade and Commerce.

Under its terms of reference the Commission is responsible for preparing all Canadian Government exhibits outside of Canada. On trade fairs and trade exhibitions it acts on the recommendations of the Departmental Committee on Trade Fairs Abroad concerning the government's trade fair program for each year.

In all other types of government exhibitions abroad the Commission deals with the government department concerned. With the approval of the Deputy Minister of the Department of Trade and Commerce, the Commission may produce exhibits and displays for use in Canada on behalf of the various government departments and agencies, each of which covers the cost. A review in chronological order of the major projects for the Department of Trade and Commerce and for other government departments, appears in Appendix "C".

### Staff and Offices

The conversion by the Department of Public Works of the office and warehouse at 2487 Kaladar Avenue to suitable office and workshop facilities was completed in early April and the Commission moved from 479 Bank Street during the week of April 9 without appreciable loss in production. The new premises provide some 56,000 square feet of floor space with the shops and warehousing areas being advantageously situated on one floor.

The position of Assistant Director, which had lapsed for some years, was re-established and filled.

A seminar was held within the Commission from December 17 to 20 when all the staff, including the Chief of the London office, were at home. The purpose of the seminar was to bring about an understanding and appreciation of the problems encountered in the various phases of the Commission's activities, to explain the duties and responsibilities of individuals and sections of the Commission with a view to improving its capacity to render the best

service to its clients and to ensure maximum results, as far as it lies within its power, from participations in trade fairs and exhibitions.

## **Exhibits Abroad**

One hundred and forty-four projects were undertaken in 1962, 49 in the category of trade or information exhibits while the balance comprised small displays and miscellaneous work. The original program of overseas trade and information exhibits was reduced by 11 to conform with the Government's revised estimates. This resulted in a decrease in production toward the end of the year necessitating a layoff of some 22 prevailing rate staff.

## **Solo Canadian Trade Fairs in Nigeria and Ghana**

These wholly Canadian fairs were patterned after those held in the West Indies in 1959. In Lagos, Nigeria from January 17 to 28 the Fair with 91 Canadian companies participating was housed in existing facilities on 12 acres of the Nigerian Exhibition Grounds on Victoria Island. In Accra, Ghana a 4½ acre clear site was secured in mid-town. The exhibits were moved by sea from Lagos to Accra and set up in a geodesic dome structure and seven exhibit and service buildings constructed by the Commission for the period February 14 to 24. Some 87 companies participated here.

For the most part the companies were allocated individual booths although a small composite area was allowed at each fair. A graphic general information display and the showing of 35mm coloured films of Canada was common to both fairs. Local entertainers were secured in Accra to stimulate attendance.

The fairs were opened by Alhaji the Hon. Sir Abubakar Tafawa Balewa K.B.E., Prime Minister of Nigeria and Dr. Kwame Nkrumah, President of Ghana, with the High Commissioners for Canada in Lagos and Accra presiding at the respective opening ceremonies. Guards of honour were provided by Royal Canadian Naval ships visiting both cities in conjunction with the fairs.

Attendance was estimated at 350,000 in Lagos and 200,000 in Accra.

## **Century 21 World Fair, Seattle**

This world exhibition (category 2) was open every day from April 21 to October 21. The Canadian area totalled 11,900 square feet, being one of the largest of the foreign countries exhibiting. With supporting graphics the Canadian exhibit included many actual items and models from industry and government illustrating the theme "Canadian Science and Industry Serving Mankind"; it featured a working model of a concept of High Arctic development. Over ten million visitors attended the fair and according to actual spot counts a third of this number passed through the Canadian exhibit. The Canadian Armed Forces staged a very successful tattoo during the week of September 10 to 15 in the stadium of the fair. Canada received a very full and favourable press.



## **Canadian Court, New Commonwealth Institute, London**

The semi-permanent display of approximately 3,500 square feet, which had been in production during the previous year, was completed and installed in readiness for the opening by Her Majesty the Queen on November 6. The new exhibit is addressed chiefly to school children and describes various fields of Canadian activity and the diversity of Canada's geographical regions.

## **Work for Other Government Agencies**

Work was done for the following departments and agencies: Agriculture, Atomic Energy of Canada Ltd., Canadian Broadcasting Corporation, Canadian Patents & Development Ltd., Citizenship & Immigration, Central Mortgage & Housing, External Aid Office, Labour, Mines & Technical Surveys, National Defence, National Gallery, National Harbours Board, National Museum, Northern Affairs & National Resources, Post Office, Transport, Unemployment Insurance Commission.

Exhibits were mounted in the following countries: Argentina, Australia, Britain, Czechoslovakia, France, Germany, Ghana, Nigeria, Poland, South Africa, United States of America, Yugoslavia. Project Officers accompanied these exhibits except in Argentina.

## **London Branch**

Work in the London Branch continued at a high level. The Chief of the Branch was accorded the status Attaché (Exhibitions) in the office of the High Commissioner for Canada. The Branch was heavily involved in seven participations in annual British fairs and in six semi-permanent exhibits in Britain, as described in Appendix "C". The Branch was also concerned with nine participations in Europe and elsewhere. A number of small displays were prepared from existing exhibition material stored in the warehouse and loaned or set up at a variety of events in Britain.

## **Canadian Government Travel Bureau**

### **Organization and Operations**

The Canadian Government Travel Bureau, which was a branch of the Department of Trade and Commerce from 1945 to 1948, returned to the Department on November 27, 1962. At the year's end, with the Bureau part of the External Trade Promotion Service, close integration of efforts to promote both travel and trade was being worked out.

Since its establishment in 1934 the Bureau had concentrated its travel promotion on the United States, but the opening in June, 1962, of a ground-floor office in London, and the start of a public relations campaign to support it, marked the extension of the Bureau's program to Britain and Europe. Income from overseas visitors to Canada is expected to continue its sharp

upward trend. With the rising volume of United States visitors expected, Canada's tourist industry should make steady progress until 1967, when Canada's Centenary and the Canadian World Exhibition in Montreal will provide special opportunities for this country to attract an unprecedented volume of visitors. Long-range expansion plans for the Bureau's operations, both in the United States and in other countries, are required and these plans are now being formulated.

In Ottawa, the Bureau, with 90 full-time employees, is organized for the rapid handling of one million travel enquiries a year, and to produce and distribute supporting literature. In addition, publicity material is widely circulated to United States media to supplement an advertising campaign costing \$1.7 million in 1962, to present Canada's travel attractions to millions of readers, many of whom then write for travel literature or counsel. Outside Canada, the Bureau's offices in New York, Chicago, San Francisco and London, with 18 full-time employees, handle more than 100,000 enquiries a year, besides working closely with travel trade representatives and travel writers in their area. Travel counsel is also given at Canadian diplomatic and trade posts, by immigration officers and at offices of the Canadian carriers and the provinces.

Besides encouraging travel to Canada the Bureau has a co-ordinating role to play among the provincial governments, carriers, and other agencies active in external trade promotion. This co-ordination is effected in part through the annual Federal-Provincial Tourist Conference convened by the Bureau in Ottawa in November.

### **Value of the Industry**

In recent years Canada's travel industry has consistently ranked next to newsprint and wheat as an earner of export income. In 1962 preliminary estimates indicate that a new record was set of the order of \$550 million, a considerable increase over the 1961 estimate by the Bureau of Statistics of \$482 million. For the first time since 1951 a surplus on travel account is expected with the United States. The devaluation of the Canadian dollar and the opening of the spectacular Rogers Pass section of the Trans-Canada Highway helped increase travel to Canada and in Canada. There is every indication that the overall income of Canada's travel industry also reached a new level in 1962.

Research was continued by the Travel Bureau in 1962 along two main lines: a survey to gather data on United States visitors to Canada and a comparative analysis of United States media to assess their usefulness in promoting travel to Canada. The fall annual survey of travel enquiries made earlier in the year was increased to 475,000, and special attention directed to getting the names of friends of enquirers to whom 1963 travel literature could be sent with the respondent's compliments. More than 80,000 questionnaires have been received, with requests that information be sent to more than 121,000 friends.

## Travel Counselling

The number of travel enquiries handled by the Bureau in Ottawa, through its four offices and through Canadian Consulates in the United States, reached a new record of 1,075,000 in 1962. Increasing use of automatic typewriters has helped in coping with the mounting volume and complexity of enquiries from prospective visitors to Canada. The introduction of a greater degree of automation throughout the Bureau is under consideration.

## Publications

The Bureau produced 47 booklets, folders, posters and maps during 1962, to be sent out individually or in 26 different packages for selected purposes. The upgrading of publications was continued. In the twelve months ending September 30, 6,609,239 pieces of the Bureau's publications and posters were distributed, with large quantities of material from the provinces, transportation companies and other sources. Special convention mailings, totalling 189,335 pieces were made to members of 55 organizations. Material was also provided for distribution at a number of trade fairs, outdoor shows and special exhibits in the United States and overseas. Some 280,000 pieces of literature were sent to the London office. Ten titles for the overseas travel market are under study. A French-language version of *Adventure Along the Trans-Canada Highway* is ready for use in Europe. *Canadian Package Tours* for Britain and an overseas version of *Border Crossing Information* are in production.

## Publicity

During the year, greater use was made of photographs in support of publicity releases and travel stories, and special articles were given a more selective regional, rather than general distribution. As a check on the nature and extent of travel stories in Canadian and United States publications, clipping services were engaged. Articles about Canada's vacation attractions, prepared for the Bureau by free-lance writers, were sent to anywhere from 15 to 105 United States newspapers selected according to the subject and regional interest. In all, 952 such articles, supplemented by 7,346 photos, were distributed on request. A further 95 special articles were prepared, and supported by 703 photos. News releases totalled 16, with 1,815 photos. Through a placement service, four picture stories were offered during the year and requested by 416 publications. A new feature, a fact sheet, *Travel Bits*, was started, to go regularly to 180 United States newspapers. Arrangements were continued to bring leading United States travel writers to Canada as guests of the Bureau so they could collect story background.

To promote the first Dawson City Gold Rush Festival, story and picture material was widely distributed and 4,758 photographs sent in answer to more than 100 requests. This material was widely used as shown by the 2,983 column inches in United States publications and 7,968 column inches in



Canada that appeared on the Festival. Special promotion was also carried out for the Trans-Canada Highway. An article and two publicity packages were sent to more than 200 United States newspapers and magazines, which devoted 9,149 column inches to the Highway.

Publicity material was provided on a very extensive basis for the public relations firm engaged to develop publicity in Britain for Canada's travel attractions.

The Bureau employed free-lance photographers who produced 4,704 negatives and 6,290 transparencies on the major winter resort areas in Alberta, British Columbia, Quebec and Ontario; Dawson City Gold Rush Festival; Royal Canadian Mounted Police Musical Ride; Edmonton Exhibition; and the Trans-Canada Highway from Victoria to Quebec. The Bureau's files now contain 6,787 negatives and 8,328 transparencies. During the year, photo libraries with 521 Canadian travel subjects were sent to each of the Bureau's four offices. A total of 31,956 black and white photos were distributed and 4,438 transparencies sent out on loan.

Increased support was given during the year to the circulation of Canadian travel films. The Bureau spent \$125,000 on 1,260 prints, representing 63 percent of the prints provided for some 600 film outlets and the Free Television Library maintained by the National Film Board in the United States. Studies were initiated of travel film distribution in Britain and Europe. With 23 new titles added in 1962, 8,000 prints of some 170 subjects were available in 1962 for 131,000 screenings, to audiences totalling 7,000,000. In addition, 91 titles were telecast 1,189 times in the first half of the year, and wide use was made of the fourth series of ten short television subjects or "Televisits" produced by the National Film Board for the Bureau.

### Trade Commissioner Service

The Trade Commissioner Service is the overseas arm of the Department. Through more than 140 officers stationed in 64 posts in 47 countries, the branch continued its all-out effort to promote Canada's foreign trade interests around the world. Appendix "E" records the locations of the overseas offices.

The main role of the Trade Commissioner is to bring buyer and seller together. To this end studies are made continuously of potential markets for specific Canadian goods and services. Reports are provided on the current supply and demand position, prevailing prices, competitive conditions, import and exchange controls, tariffs and tariff preferences, customs regulations, labelling and marking regulations, shipping and packaging requirements, terms of payment, and of distribution channels. Trade Commissioners are ready to recommend suitable agency or buying connections; provide credit information on overseas agents and buyers; assist Canadian businessmen planning foreign sales trips by providing market data, travel information, arranging appointments, making introductions, and helping with language barriers;



they will undertake to keep a Canadian firm posted respecting developments which affect the continued sale of its products in overseas markets.

In seeking trade growth, Trade Commissioners supervise Canadian exhibits at overseas trade fairs and render assistance to the Canadian firms participating. They make arrangements for and travel with Canadian trade missions visiting overseas markets. During 1962, the Trade Commissioner Service played an important part in the planning and execution of the departmental trade fair and trade mission programs.

Trade Commissioners travel extensively in their territories, visiting leading industrial and trade centers; they develop close liaison with businessmen, government officials, trade associations and civic leaders, publicize Canadian products, investigate trade openings, facilitate the collection of trade information and generally help create opportunities for Canadian exporters.

During the year a conference of all Trade Commissioners posted in the United States and officials from Head Office was held in Canada. This resulted in fresh recommendations concerning our trade promotional activities in that important market.

During 1962 Trade Commissioners were instrumental in setting up 1,352 agencies or buying connections for Canadian exports, and more than 14,000 inquiries from Canadian exporters about foreign markets were received at the various posts and answers reported to the Canadian firms concerned.

A gauge of the effectiveness of the trade promotional activities is the fact that the total of new business influenced in various ways by all Trade Commissioners during the calendar year 1962 was more than one hundred million dollars.

### **New Posts Opened**

During 1962, one new Trade Commissioner's office was opened in Tel Aviv, Israel. The Trade Commissioner at Djakarta, Indonesia, was withdrawn in August.

### **Personnel**

As of December 31 there were 173 officers on strength in the Trade Commissioner Service, of whom 141 (including eight officers seconded from other branches of the Department) were on duty in offices outside Canada. Fifteen recruits taken on during the year were in training in Ottawa.

Canadian clerical and stenographic staff are posted in a number of offices abroad, and at the end of 1962, 45 Foreign Service Employees were on strength, stationed at 27 overseas offices as well as at Ottawa.

The successful functioning of the Trade Commissioner Service would be impossible without the loyal assistance and support of the employees engaged locally in the posts abroad. At the year end, 335 local employees were on strength.

## **Trade Fairs and Missions Branch**

The Branch was established on April 1st, 1962, to co-ordinate the Department's export promotion through trade fairs and trade missions abroad. The Branch is comprised of two Divisions: the Trade Fairs Abroad Division which is responsible for co-ordinating the planning and publicizing of Canadian exhibits in foreign trade fairs, and the Trade Missions Division which is responsible for organising the Department's trade missions to explore and promote export sales in world markets.

### **Trade Fairs Abroad Division**

The Division was transferred to the newly formed Branch from the Trade Publicity Branch of the Department. The functions of the Division remained unchanged and it continued to be responsible for program development and for co-ordination of planning Canadian Government exhibits in foreign trade fairs.

The Division develops the Department's annual trade fair program. Annually it obtains reports and recommendations from the Trade Commissioners on fairs and exhibitions in which the Department can usefully consider participation. A similar survey is made through trade associations in Canada interested in the promotion of exports. Each trade promotion branch of the Department is consulted as are other departments of Government. The aggregate of these recommendations represent a cross-section of the opinion of both industry in Canada, and Government at home and abroad. From this survey, the Trade Fairs Abroad Division prepares a summary report, including trade statistics of the markets in which trade fair participation is considered.

The report provides the departmental Committee on Trade Fairs Abroad with the necessary information to select the most suitable exhibitions for Canadian participation from the hundreds held throughout the world each year. The final program adopted by the Department is then circulated in Canada as widely as possible to encourage participation by Canadian manufacturers who are interested in developing export markets for their products.

During the year, the Department participated in 37 exhibitions with commodity displays and trade information booths. There was a notable increase in the interest shown by Canadian industry in trade fairs as a medium for assessing market potentials and expanding established market representation. This was reflected in the increasing number of exhibits at which Canadian demand for exhibit space was greater than capacity. This was due in part to the success enjoyed by many Canadian exhibitors. For example, a manufacturer of plastic moulding equipment made sales of close to \$200,000 during a five-day trade fair in the United States. Another exhibiting in the highly competitive New York market dealt with firm enquiries which totalled almost \$1,000,000. Many other outstanding successes were reported in letters from exhibitors who took part in the Department's program in various world

markets. All reports attested to the value of this means of establishing a foothold in new markets, introducing new products or expanding sales in established markets.

See Part I of Appendix "C" for a list of the trade fairs in which participation of the Department was planned by this Division.

### Trade Missions Division

The year's program of twenty trade missions particularly emphasized specialized small missions of Canadian businessmen going abroad to explore and develop chosen markets for groups of closely related products. Some of these missions feature individual sales calls, others were designed so that many of the companies in the various Canadian industries could make reconnaissance of market potentials unfamiliar to them.

There were two general or composite missions. The Canadian Trade Mission to Australia and New Zealand had 18 members representing six major sectors of Canadian industry; in this sense it was equivalent to six small specialized missions. The members were all senior executives or presidents of their companies and the Mission's task was broader in scope than our smaller missions. Similarly, the Canadian Trade Mission to Israel covered a broad range of Canadian goods and services including construction equipment, consulting engineering services, automotive parts, industrial equipment, telephone and communications equipment and lumber and wood products; two of the 15 members represented the interests of Canadian merchandising organizations in consumer products that Israel has for export.

The trade missions included 129 Canadian businessmen, 14 labour representatives, 19 Commodity Officers as mission secretaries and five officials of other Canadian government agencies. The Department defrayed transportation costs and each non-departmental member covered his own accommodation, meals and incidental expenses.

There was one incoming mission of livestock experts from Japan.

Each mission produced its own report, by the members, for the guidance of other Canadian companies interested in the same markets. The Department has encouraged mission members to report their finding to associations and others in Canadian industry at every opportunity. Members have addressed association meetings, export study clubs and have been consulted on their return by other Canadian businessmen. The mission reports are published by the Department and are available to interested businessmen in Canada.

The business influenced by these missions will continue and grow over a period of years. While their ultimate result can only be measured in terms of the efforts and effectiveness of Canadian exporters, immediate sales influenced by the missions have totalled millions of dollars. Mission members have often expressed astonishment at the range of business connections and contacts opened to them, and by the thoroughness of the preparation for their visit.



The Canadian Labour Congress has co-operated with the Department in nominating a senior Canadian labour official to accompany each trade mission to the complete satisfaction of all concerned. Many members have commented on how the shared experience of travelling and working together for Canada's export development has fostered a new understanding of each industry's problems.

Missions and business tours organized by Canadian trade associations, Boards of Trade and provincial departments have been assisted and served by Trade Commissioners. The Department has welcomed the initiative of such groups, in the sure knowledge that organized travel can help develop business.

### Trade Publicity Branch

The primary purpose of the Trade Publicity Branch is to further the Department's trade promotion activities, at home and abroad, through publicity measures—Promotion through Print. The Branch distributes information descriptive of Canada's commercial, industrial and economic conditions and development in foreign trade and domestic commerce.

One facet of general information work is the distribution of departmental press releases, copies of ministerial statements and addresses, and speeches by senior departmental officials, to the Press Gallery in the House of Commons, many other interested recipients in Canada, and to Trade Commissioners abroad. Another is the supply of information about Canada for use in other countries, usually through the Trade Commissioners.

The Branch assists newspaper and other correspondents (many representing non-Canadian media) who are seeking information of a commercial, industrial or economic nature on Canada. Such aid may be extended through personal contact in Ottawa, or by correspondence with and through the Trade Commissioners abroad for magazines and other publications abroad as well as in Canada.

The Branch is responsible for placing advertisements on behalf of the Department in overseas media or media going overseas. In particular the trade press is accented because it is a very efficient way of getting the advertising message to the businessman. A highly successful co-operative venture with exporters, in a series of daily newspaper supplements, was used to support our Canadian exhibition in Lagos.

### Publications

In 1962 *Foreign Trade*, published every two weeks, and *Commerce extérieur*, published once a month, concentrated on providing active or potential Canadian exporters with up-to-date information on market opportunities and methods of doing business abroad, foreign government regulations affecting trade, and business and trading conditions in various areas. As in other years, the majority of the reports published were prepared by Trade Commissioners serving abroad. Special issues were devoted to an



intensive study of only one market: Southern California was featured in mid-June and France at the end of August.

Among the new features introduced during the year was a quarterly survey of the ocean freight market, listing charter rates, prepared by the Transportation Division. The popular one-page series, "Markets in Brief", was continued; so was the "What's Current in Commodities?" section.

Towards the end of the year a questionnaire went out to all readers of *Foreign Trade* in Canada, to ascertain which articles and regular features are of most value to them and to elicit comments and suggestions. A gratifyingly high proportion (35 percent) of the questionnaires was returned and many helpful comments were received. The information gained will be used as a basis for improving the magazines and widening its coverage.

The *Canada Courier* is designed to interest businessmen abroad in Canada as a source of supply. It contains information on Canadian goods and services, new processes, new discoveries and developments in the natural resources field, and financial and economic developments of interest to foreign businessmen. About 80,000 copies of each issue are distributed abroad through the Trade Commissioner offices.

Special trade promotion printed matter is prepared in the Branch for a number of projects. This includes general trade promotion folders for distribution to businessmen and other adult enquirers at trade fairs abroad, trade fair booklets (often produced in foreign languages) for pre-show mailing by the Trade Commissioner and for distribution to interested visitors to the Canadian stand at the fair, trade mission booklets for distribution by Trade Commissioners in the centers visited by trade missions, trade fair stickers, counter cards, shopping bags, luggage labels, lapel badges, etc. Booklets are also prepared for a number of commodities, industries and services rendered by the Department to the Canadian business community. As in the case of advertising, the co-operative idea for producing booklets in conjunction with Canadian exporters has been tried with notable success; it is planned to enlarge this effort.

Greater emphasis has been placed recently on the preparation of booklets in support of domestic commerce, national design and industrial promotion. These have been instrumental in attracting investments to Canada, the establishment of manufacture-under-licence arrangements and helping to educate the small businessman through better business methods and design features.

## Publicity

The Branch has been concerned recently with a variety of other publicity measures in support of trade fairs abroad and, in Canada, sample shows, design seminars and conferences on trade promotion and industrial development. Officers of the Branch have been designated to handle all types of publicity for these projects. A 30-second "High-life" jingle prepared in Canada was used successfully in Nigeria during our Canadian exhibition.

## Organization

The responsibilities of the new Media Relations Division include departmental advertising in domestic publications, publicity and press liaison both in Canada and abroad. It is planned to enlarge its activities to cover radio, television and films. The National Film Board will soon produce trade promotion films on specific commodities; these films will be used abroad by Trade Commissioners and will be available for circulation from outlets of the National Film Board.

## TRADE POLICY SERVICE

The successful conduct of international trade is increasingly a matter of dealing adequately with the difficult and complex problems in the trade field arising from such factors as the formation of regional trading blocs, international agreements relating to trade, monetary and commodity matters, surplus disposal programs, the effect of aid programs on normal commercial sales, and the continuation of import and exchange restrictions in many of the world's markets. This area of operations, the aim of which is to safeguard and improve the terms of access for Canadian goods in foreign markets through general policy recommendations and international negotiations, is the responsibility of the Assistant Deputy Minister (Trade Policy). Work in this connection is conducted in the Department through the International Trade Relations Branch under the Assistant Deputy Minister (Trade Policy). Details of the operations of the International Trade Relations Branch during the past year are contained in the following section.

### International Trade Relations Branch

The activities of the Branch are directed to safeguarding and improving terms of access for Canadian exports in foreign markets. As a service to Canadian exporters the Branch provides expert information, advice and assistance on tariffs, import and exchange controls, documentation requirements and other foreign governmental regulations affecting trade. In addition the Branch has responsibilities in relation to the export financing facilities available for the development of exports of Canadian capital equipment. Further, through the area divisions—Commonwealth, United States, European, Asia and Middle East and Latin America—the Branch is the central point of contact between the Trade Commissioners abroad and the Department in Ottawa.

In the field of Canada's international trade and commercial policy the Branch is concerned with the conduct of Canada's commercial relations with other countries, including the negotiation and administration of trade agreements and Canada's participation in international trade conferences.

There were a number of major developments of interest to the business community in 1962. Tariff negotiations under the GATT initiated in 1961 were concluded by the middle of 1962. These negotiations were conducted in close consultation with the business community and numerous concessions of interest were obtained in the tariffs of the EEC, the U.S. and a number of other countries.

Considerable interest focused on British negotiations for possible accession to the EEC. These negotiations which commenced in October 1961 were not concluded by the end of the year. A breakdown of the negotiations occurred in January 1963.

At a meeting of the contracting parties of the GATT in the autumn of 1962 arrangements were set entrain for a meeting of Trade Ministers under GATT auspices early in 1963. This meeting, it is hoped, will lay the basis for a major international trade conference in which the United States will participate on the basis of its new trade legislation which came into force in October.

A further broad initiative in the trade field has been undertaken by the United Nations. At the meeting of the United Nations General Assembly in the autumn of 1962 a resolution was passed calling for a United Nations World Trade and Development Conference not later than early 1964. Canada is a member of the U.N. Preparatory Committee charged with the responsibility of preparing for the Conference.

There were further developments during the year in the field of long term export financing. In addition to the government financing of a number of capital projects in foreign countries (for details see Appendix "L"), Canada accepted membership in OECD Consortia to assist in the economic development of Greece and Turkey. Canada's contributions to these Consortia will take the form of earmarking amounts from the government's \$300 million long term export financing fund to undertake suitable capital projects in those countries. There was also a further earmarking of government long term funds in connection with Canada's participation in the IBRD Consortia to assist in the economic development of India and Pakistan.

## **Canada and the United States of America**

The enactment of the United States Trade Expansion Act was the most important development in the United States during the year bearing on Canada-United States trade relations. Under the Act passed by Congress in October general authority was granted to the President to cut U.S. tariffs in U.S. trade negotiations by 50% and under certain circumstances to eliminate the U.S. tariff.

The U.S. Tariff Classification Act became law in 1962. Under this act the U.S. customs laws are to be simplified and consolidated. However, some tariff changes affecting Canadian export interests are involved and Canadian exporters were advised of the new schedules and a number were



assisted in making representations where appropriate. Preliminary Canada-United States consultations on the new act were held in Geneva during October. The effective date for the new tariff schedules is likely to be proclaimed during 1963.

Other matters which were the subject of close consultation between Canada and the U.S.A. during the year related particularly to trade in lumber and oil. With respect to lumber, strong pressures built up in the U.S. lumber industry for restrictive action against Canadian softwood lumber exports and an escape clause investigation was instituted by the U.S. Tariff Commission. Canadian exporters interested in this problem were kept closely associated with discussions between U.S. and Canadian officials. Restrictive action was avoided. The U.S. Tariff Commission has until April 1963 to report the results of its escape clause action. Concerning oil, the U.S. Administration on November 30th amended the mandatory oil import program effective for the first half of 1963. Oil imports into Districts D I-IV were related directly to U.S. production of crude oil and natural gas liquids in those districts. The exemption from licencing of overland imports into the U.S.A. was not changed. Canadian and U.S. authorities consulted on the new U.S. system in Ottawa in mid-December.

There were no changes during the year on U.S. restrictions on lead and zinc. Continuing efforts were made to obtain an easing of U.S. restrictions on cheese. An escape clause investigation on vanillin led to a finding of no injury.

On January 31st the U.S. initiated a thorough investigation of their strategic stockpiling program. Hearings on the various stockpiles and related matters were held by a sub-committee of the U.S. Senate. In addition, the subject of strategic stockpile requirements and possible disposal of stocks in excess of requirements received intensive study during the year by Congressional and Executive committees. On the agricultural side the new Administration was not successful in obtaining Congressional approval for a new Farm Bill. At the end of the year a number of changes were announced in the U.S. barter program involving surplus agricultural products and this was the subject of intensive consultations between Canadian and U.S. authorities in the Canadian/U.S. Quarterly Meetings on grains and related matters.

In addition to close consultations between the countries during the year on particular trade problems, a meeting of the Canadian-U.S. Ministerial Committee on Trade and Economic Affairs was held in Ottawa in January. These are regular meetings which provide Ministers of the two countries an opportunity for general discussions on matters of common interest and concern.

As a result of negotiations under the GATT, concessions were made in the U.S. tariff affecting some \$150 million of Canadian trade. These concessions are to be implemented in two stages. The first reductions were applied in July 1962 and the second stage is to be implemented in mid-1963.



## Canada and the Commonwealth

Commonwealth trade relations were in a large measure focussed on Britain's negotiations for possible accession to the EEC and this was highlighted by a meeting of Commonwealth Prime Ministers in London in September. During the period of negotiations to date the British have been kept fully informed regarding Canadian trade interests in the British market with a view to the safeguarding of these interests and the closest possible consultation was maintained with the business community to this end. A senior official of the Branch has been stationed in Brussels in order to facilitate close consultation with the British during their negotiations with the Common Market. In addition there has been the closest consultation among Commonwealth countries regarding these developments.

Developments in the tariff policy of Australia were of particular interest. Early in the year a Special Advisory Authority was established to examine and make recommendations on request for temporary relief from import competition pending the completion of Australian Tariff Board hearings. Under these procedures restrictive action was taken affecting Canadian exports of lumber and synthetic rubber. These items, together with aluminum and certain chemicals, are currently under investigation by the Australian Tariff Board. Consultations were held with Australian authorities concerning Canadian trade interests in these items. At the end of the year it was announced that a special Australian Economic Commission would be set up, designed to examine all aspects of the Australian economy including Australian trade and tariff policies taking into account the needs of domestic industry and Australia's international trade interests.

Jamaica, Trinidad, Uganda and Western Samoa achieved independence during the year. Concurrent with independence Jamaica, which was not previously a party to the General Agreement on Tariffs and Trade, took on GATT membership. During the year Trinidad announced the introduction of a revised tariff which involved some modification in the preferential rates accorded to Commonwealth countries. Malaya, Singapore, Brunei, Sarawak and North Borneo took steps towards the establishment of the Federation of Malaysia.

In trading relations with India there was an opportunity for discussion in Ottawa with the Indian Minister of Finance and senior Indian officials on various aspects of Canada's trade and commercial relations.

## Canada and Europe

Major developments in Western Europe were progress in the implementation of the European Economic Community of the Six (Germany, Italy, France, Belgium, The Netherlands and Luxembourg) and parallel developments in dismantling the trade barriers among the seven countries of the European Free Trade Association (Denmark, Austria, Norway, Sweden, Switzerland, the United Kingdom and Portugal). On July 1st the EEC implemented a second accelerated internal tariff reduction of 10% bringing

the total of such reductions to 50% for industrial goods and 30 to 35% for agricultural products.

In relation to the Common Agricultural Policy of the Six, the first stages of implementation were taken in July 1962, with respect to cereals, pigmeat, poultry, eggs, fresh fruit and vegetables and wine. The aim of the Community is to establish progressively a single market among member countries by January 1, 1970 at the latest.

On November 1, 1962, the Agreement of Association between Greece and the EEC came into force. This agreement looks to eventual full membership for Greece in the Community. Discussions between Spain and Turkey with the EEC for a similar type of agreement continued under consideration during 1962.

In May 1962 Norway joined with Britain, Denmark and Ireland when it applied for membership in the Common Market. In addition, during 1962 Portugal requested some form of association with the Community (Sweden, Switzerland and Austria requested associate membership with the Community in 1961).

In GATT negotiations with EEC the results of which were announced July 16th, Canada obtained assurance with respect to its rights of access to the European Common Market covering about \$250 million of Canadian trade. In addition under two special agreements with respect to wheat Canada obtained interim assurances regarding its access to the Common Market. In connection with the accession of Portugal to the General Agreement, tariff negotiations with that country were conducted in the course of the GATT Tariff Conference. In relation to Portugal, initial measures were implemented on January 1st, involving the setting up of a Common Market among the various Portuguese overseas territories and metropolitan Portugal.

The annual consultations as provided for in the Canada/U.S.S.R. Trade Agreement were held in Moscow in November. In addition to reviewing the operation of the Agreement, preliminary exploratory talks were held on possible renewal of the Agreement which is due to expire in April 1963.

## **Canada and Latin America**

Further progress was made in the working out of the Latin American Free Trade Association. At the beginning of 1962 Argentina, Brazil, Chile, Mexico, Peru, Paraguay and Uruguay brought into force the first stage of the negotiated tariff concessions worked out among members of the Association. In addition, Columbia, which had subsequently acceded to the LAFTA, brought its concessions into force in April. The second round of negotiations in which Ecuador participated for the first time were concluded in November.

Progress was also made in the setting up of a Common Market among the Central American countries with the signature of Costa Rica in July of the General Agreement on Central American Economic Integration. This

treaty, which had already been ratified by Guatemala, Honduras, Nicaragua and El Salvador, is designed to establish a Common Market within 5 years.

The first year's operation of the Alliance for Progress, a 10 year program designed to stimulate the economic and social development of Latin America, was reviewed at the Ministerial Meeting of the Inter-American Economic and Social Council in Mexico City in November. One of the important results of the meeting was the establishment of special continuing committees to maintain close supervision over the major activities of the program, including both industrial and agricultural development.

Development programs in Latin America and the consequent pressure on the foreign exchange availability of these countries continued to affect Canada's trade opportunities in the area. There was a general tightening up on the import and exchange restrictions affecting Canadian goods. In the field of capital goods, however, substantial exports to various Latin American countries resulted from the use of Canada's long term export finance facilities.

### **Canada and Asia and the Middle East**

Japan remained Canada's third largest market in 1962. Further relaxation of import restrictions was achieved by Japan in October, reflecting a significant improvement in that country's foreign exchange position. However, a number of important Canadian export items continued to be subject to restrictions by the Japanese. In addition, progress in the relaxation of Japanese restrictions appeared to have given rise to pressure in the direction of restrictive Japanese tariff action. Arrangements were made at the end of the year for the first meeting of the Canada-Japan Ministerial Committee held in Tokyo in January 1963.

During the year a number of countries in Asia sent trade missions to Canada. A group of representatives from Communist China Trading Organizations visited Canada in June to explore trading opportunities between the two countries. Discussions were also held with trade missions from Taiwan and the Republic of Korea.

A treaty providing for the setting up of an African Common Market including the United Arab Republic, Algeria, Morocco, Ghana, Guinea and Mali was signed in April 1962 but had not been ratified by the end of the year.

Arrangements were made for a Canadian Government mission to visit Iraq for exploratory talks in connection with the export of capital equipment to be supplied to that country on long term credit.

### **ECONOMICS BRANCH**

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on



various aspects of Canada's economic development as required for official use.

Statements on the general economic situation were prepared in which current trends in general economic activity were reviewed and future prospects were assessed. In some cases, these reports were designed for general background use within the Government, while in others, they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. Reports on current trade developments and on particular aspects of Canada's foreign trade were prepared as required.

Other features of the general economic situation examined periodically included employment conditions, both nationally and regionally, and developments relating to the consumer market.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. Studies on international commodity markets and on particular industries are undertaken as required for the consideration of any specific matter or program with which the Department is concerned and for general background purposes.

The Branch participated from time to time in the preparation of economic material required in connection with international meetings and representations from industry, or for other departmental purposes. Special studies were conducted on various economic and trade issues requiring the attention of the Department.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programs.



## ADMINISTRATION

The provision of administrative services to all operating units of the Department is the responsibility of the Comptroller-Secretary. These include Personnel, Library, Office Services Division, Financial Services Division, and Travel and Removal. In addition the Comptroller-Secretary's office co-ordinates returns to Parliament and the Executive required of the Department and associated Crown Agencies.

### Personnel Branch

This Branch provides advice on personnel policy and human relations problems; acts as a control arm in ensuring compliance with established policy; provides personnel services to the Branches and to individual employees through interpretation of policy, legislation and regulations; assists employees with personal problems and maintains liaison with the central personnel agencies.

Under the Branch Director, responsibility is divided functionally in respect of organization and establishment, pay, leave and attendance, hospital medical service plans, superannuation, training and welfare, and by organizational grouping in respect of personal services and development. The Co-ordinator of Transcribing and Typing Services and the Chief Librarian report to the Director of the Personnel Branch.

Appendix "I" tabulates the distribution of departmental staff.

### Library

The Library selects, acquires, catalogues, indexes, circulates, lends and retains publications on the diversified subjects of interest to members of the various branches of the department.

Considerable time is spent by the Librarians in assisting with research projects. For that purpose, the compilations of special and continuous bibliographies are found essential.

Co-operation with business, university and other government libraries through loans and other forms of assistance is also part of the regular work done in the Trade and Commerce library.

### Office Services Division

The Division, organized in two sections, provides several essential services to branches of the Department in Canada and abroad.

The Records Section gives records, mail and messenger services to branches in Ottawa through the main units in the Trade & Commerce building or the branch registries attached to the Standards and Exhibition branches. It is responsible for the custody and maintenance of the departmental files and for the disposal or transfer to the Public Archives Records Center of outdated records.

The Supply and Accommodation Section is responsible for procuring, storing, issuing and controlling the printing, stationery, furniture and equipment required by all branches of the Department. Office accommodation and maintenance, communication services such as telephone, intercom and buzzer installations are other services arranged by this Section.

### **Financial Services Division**

The Financial Services Division is responsible for the administration of the Department's financial operations.

In addition to the coordination, preparation and review of the Department's annual financial requirements for submission to Parliament, the Division carries out continuous review of departmental expenditures, commitments and financial procedures to ensure their conformity to approved practices and to governmental and departmental policies.

### **Travel and Removal**

Departmental officials requiring transportation obtain their bookings through the Travel and Removal Office. This office also arranges the transport of household goods and effects of staff moved between locations within Canada and on foreign assignments, as well as shipments of materials and supplies for offices in Canada and abroad.

During 1962 a total of 1370 trips were arranged by the following means: by air—815, rail—440, ship—63, bus—52. Total freight moved involved an expenditure exceeding \$600,000.

## APPENDICES





## Appendix "A"

### Head Office Directory

(As at December 31, 1962)

This directory is intended as a useful reference for the businessman who wishes to consult Head Office personnel on particular problems. Correspondence should be addressed to branch directors. Local government telephone numbers follow each name. In Ottawa, dial 9 (after May 5, 1963, dial 99) followed by the local. When calling from out of town through the long distance operator, call the government switchboard, CENTral 2-8211, and ask for the local only. When calling from out of town through Direct Distance Dialling (after May 5, 1963) dial (i) the access code, (ii) the Ottawa area code 613, (iii) the numbers 99, (iv) the local.

#### Head Office Trade and Commerce Bldg.,

Wellington and Lyon Sts., Ottawa .....Telex - 013424

#### Regional Offices: St. John's, Halifax, Winnipeg, Vancouver

(See page 63)

Gov. Local

**Minister: The Honourable George Hees** .....2-0336, 2-0337  
Executive Assistant: M. R. Jack ..... 2-7052  
Private Secretary: Mrs. Reta Taylor ..... 2-0337

**Deputy Minister: James A. Roberts** .....2-2888, 2-5838  
Executive Assistants: D. H. Cheney, C. T. Charland .....2-2380, 2-0819  
**Administrative Services:** Comptroller-Secretary, L. J. Rodger .....2-7411, 2-2262  
Personnel Branch: Director, P. M. Legris ..... 2-5430  
**Economics Branch:** Director, V. J. Macklin ..... 2-5658

**Assistant Deputy Minister (External Trade Promotion): H. Leslie Brown** ....2-2530, 2-0798

**Assistant Deputy Minister (Trade Policy): J. H. Warren** .....2-4042, 2-2649

**Assistant Deputy Minister (Commodities and Industries): Denis Harvey** ....2-5417, 2-7056

**Assistant Deputy Minister (Domestic Commerce): B. G. Barrow** .....2-8431, 2-8502

#### External Trade Promotion Services

**H. Leslie Brown, Assistant Deputy Minister** .....2-2530, 2-0798

## **Canadian Government Exhibition Commission**

<b>2489 Kaladar Ave.</b> .....	Gov. Local
Director: Glen Bannerman .....	2-7412, 2-3558
Assistant Director: Patrick Reid .....	2-7747
Administrative Officer: A. D. Simmons .....	2-6795
Chief, Design Section: T. C. Wood .....	2-3671
Chief, Production: J. Rachlis .....	2-3524
Information: Miss M. E. Larwill .....	2-3524, 2-6351

## **Canadian Government Travel Bureau      150 Kent St.      Telex - 013474.**

Director: Alan Field .....	2-3166
Assistant Director: Dan Wallace .....	2-5256

## **Trade Commissioner Service**

Director: T. R. G. Fletcher .....	2-8286
Executive Director: H. M. Maddick .....	2-6835
Assistant Director (Personnel): A. B. Brodie .....	2-6800
Assistant Director (Administration): M. B. Blackwood .....	2-5669

## **Trade Fairs and Missions Branch**

Director: D. G. W. Douglas .....	2-8269
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## **Trade Fairs Abroad Division**

Acting Chief: F. J. Bradley .....	2-8855
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## **Trade Missions Division**

Chief: G. A. Cooper .....	2-8069
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## **Trade Publicity Branch**

Director: D. S. Armstrong .....	2-2479, 2-6394
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## **"Foreign Trade" and "Commerce extérieur"**

Editor: Miss O. Mary Hill .....	2-6588
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## **Editorial and Art Services Division**

Chief: F. R. Hamilton .....	2-6435
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## **Media Relations Division**

J. C. W. Davis .....	2-2186
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## **Trade Policy Services**

<b>J. H. Warren, Assistant Deputy Minister</b> .....	2-4042, 2-2649
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## **International Trade Relations Branch**

Director: R. E. Latimer .....	2-2250
Assistant Director: V. L. Chapin .....	2-2981

## **General Relations Division**

T. M. Burns .....	2-4963
G. W. Green .....	2-2144
W. Lavoie .....	2-0982
A. R. A. Gherson .....	2-4100

## Trade Policy Services—*Concluded*

Gov. Local

### Asia and Middle East Division

Chief: F. P. Weiser ..... 2-5642

### Commonwealth Division

Acting Chief: A. W. Evans ..... 2-2421

### European Division

Chief: W. G. Pybus ..... 2-8727

### Latin American Division

Chief: B. S. Shapiro ..... 2-7641

### United States Division

Chief: J. R. Downs ..... 2-5176

## Domestic Commerce Services

B. G. Barrow, Assistant Deputy Minister ..... 2-8431, 2-8502  
Special Advisor: T. E. Bocking ..... 2-7886, 2-6968

### Industrial Promotion Branch

Director: G. F. G. Hughes ..... 2-4143

### Depreciation Certification Division

S. B. Kayes ..... 2-3111

### Industrial Services Division

Chief: G. P. Bourne ..... 2-5909

### Regulations and Publications Division

Chief: J. H. O'Connell ..... 2-3713

### Special Studies Division

Chief: W. J. H. Purcell ..... 2-5672

### Chemical Industries Division

J. M. Belanger ..... 2-6685

### Electrical Industries Division

### Food Industries Division

E. T. Banting ..... 2-4181

### Forest Industries Division

Chief: H. C. Jellicoe ..... 2-8082

### Metal Industries Division

Chief: B. F. Armishaw ..... 2-6904

### Textile Industries Division

Chief: P. L. Boisclair ..... 2-2771

### National Design Branch

Director: Carl J. Lochnan ..... 2-0342

Assistant Director: E. P. Weiss ..... 2-0341

### Design Information Division

Mrs. M. Platek ..... 2-8971

## Domestic Commerce Services—*Concluded*

### Small Business Branch

Director: J. J. McKennirey .....	Gov. Local 2-4737
Assistant Director: R. J. Chartrand .....	2-0517

### Management Training Division

Chief: D. S. Conger .....	2-8802
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### Areas Division

Chief: F. L. Quartermaine .....	2-7774
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### Information Division

Chief: R. C. Fraser .....	2-7573
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### Standards Branch, standards Bldg., Holland Ave., Tunney's Pasture

Director: R. W. MacLean .....	2-2132
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### Electricity and Gas Division

Chief: E. F. Power .....	2-2956
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### Weights and Measures Division

Chief: W. J. S. Fraser .....	2-2575
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### Laboratory Division

Chief: C. S. Phillips .....	2-2000
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### Commodities and Precious Metals Marking

G. R. Lewis .....	2-7075
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## Commodities and Industries Services

Denis Harvey, Assistant Deputy Minister .....	2-5417, 2-7056
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### Agriculture and Fisheries Branch

Director: Dr. S. C. Hudson .....	2-4301
Assistant Director: G. E. Woollam .....	2-7634

### Fisheries Division

Chief: T. R. Kinsella .....	2-7385
Assistant Chief: D. J. Packman (Atlantic Fisheries) .....	2-7744
Pacific Fisheries: B. Choquette .....	2-6621
Inland Fisheries .....	2-7385

### Grain Division, Room 467, Confederation Bldg.

Chief: R. M. Esdale .....	2-5830, 2-5648
Assistant Chief: W. R. Hickman (Export) .....	2-7036, 2-5830
Assistant Chief: J. W. Channon (Domestic) .....	2-5648, 2-7036
W. J. O'Connor .....	2-5830, 2-5648

### Livestock and Animal Products Division

Chief: K. L. Melvin .....	2-3172
Assistant Chief: D. H. Burns (furs, sugar, beverages) .....	2-4161
Livestock, meats and meat products: J. Kaffezakis .....	2-5347
Dairy and poultry products: John A. McKelvie .....	2-8039
Special Projects: R. M. McKay .....	2-7749



**Commodities and Industries Services—Continued**

	Gov. Local
<b>Plant Products Division</b>	
Chief: A. J. Stanton .....	2-7523
Fruits, vegetables and products: J. B. Mountain .....	2-0914
Special crops, feeds, seeds: F. Beaudette .....	2-6350
Grocery and confectionery products: W. J. Curran .....	2-6350
Oils, fats and oilseeds: H. E. Ryan .....	2-5481
<b>Commodities Branch</b>	
Director: A. M. Tedford .....	2-6905
Assistant to Director: A. M. Mackenzie .....	2-0241
<b>Appliances and Commercial Machinery Division</b>	
Chief: G. W. Rahm .....	2-6950
Assistant Chief: W. H. Grant .....	2-3209
Sewing machines (domestic), gas, gasoline and kerosene pressure stoves, lamps, lanterns and appliances: W. H. Grant .....	2-3209
Scientific equipment and supplies: J. A. Findlay .....	2-6383
Plumbing, heating, air conditioning, hardware: D. C. Meyers .....	2-6958
R. F. Harris .....	2-6958
Appliances and housewares: P. C. Fredenburgh .....	2-6552
H. G. Weber .....	2-7956
Commercial machinery equipment and supplies, including office:	
O. A. Sulzenko .....	2-8789
V. J. Byam .....	2-8789
<b>Chemicals Division</b>	
Chief: G. E. McCormack .....	2-5993
Assistant Chief: G. A. Ferguson .....	2-6075
Fertilizers, synthetic resins, rubber: G. A. Ferguson .....	2-6075
Pesticides, adhesives, cleaning compounds, etc.: R. B. Ball .....	2-8663
Petroleum, heavy organic chemicals: T. V. Harquail .....	2-7601
Pharmaceutical products, inorganic chemicals: J. G. Touchette .....	2-5177
Paints, coal tar, light organic chemicals: A. G. Billingsley .....	2-2905
<b>Engineering and Equipment Division</b>	
Chief: R. C. Wallace .....	2-4082
Engineering Services Section: R. C. Wallace .....	2-4082
Consulting engineering, aerial surveys .....	
Construction contracting: V. P. Rossiter .....	2-5382
Communications and Electric Equipment Section: R. Sangster .....	2-8086
Nuclear instrumentation: R. Sangster .....	2-8086
Communication electronic equipment: D. L. Draper .....	2-6479
Transportation and Industrial Plant Equipment Section:	
J. F. Frank .....	2-8897
Nuclear reactor equipment .....	2-8897
Agricultural and automotive equipment, vehicles, aircraft, ships, railway rolling stock: G. C. Clarke .....	2-3873
Metal working and industrial plant equipment: J. R. Johnson .....	2-7546
Process Plant Equipment and Projects Section: L. T. Hansson .....	2-5859

## Commodities and Industries Services—Concluded

	Gov.	Local
Forest products, mining, rolling mill plant equipment, projects:		
L. T. Hansson .....		2-5859
Electrical and chemical plant equipment and projects:		
L. T. Hansson .....		2-5859
Municipal plant equipment and projects: L. T. Hansson .....		2-5859
Food processing plant equipment and projects: L. T. Hansson ....		2-5859
<b>Forest Products Division</b>		
Chief: M. N. Murphy .....		2-0273
Logs, other round material, lumber and sawmill products:		
P. H. Jones .....		2-8800
J. M. Monaghan .....		2-5811
Manufactured wood products: A. D. Monkhouse .....		2-8979
Wood pulp, newsprint, other papers: E. J. White .....		2-4449
M. K. Paumann .....		2-5127
Paper Products: F. T. Carten .....		2-6974
<b>Metals and Minerals Division</b>		
Chief: O. L. L'Esperance .....		2-8422
Iron and steel: O. L. L'Esperance .....		2-8422
Non-metallic minerals: R. P. Mulvihill .....		2-5823
R. T. B. Harvey .....		2-5159
Non-ferrous metals: R. J. Hurley .....		2-3823
<b>Textiles and Consumer Goods Division</b>		
Chief: A. C. Fairweather .....		2-6197
Assistant Chief: E. G. Gerridzen .....		2-7815
Handicrafts, chinaware, jewellery, photographic equipment:		
R. A. Drouin .....		2-5337
Ladies' wearing apparel, linens: E. G. Gerridzen .....		2-7815
M. A. Olivier .....		2-8760
Leather, rubber and plastic products: W. L. Herman .....		2-0518
Textile fibres and fabrics, miscellaneous men's wearing apparel,		
jute products, waste: R. M. Josephson .....		2-3004
Toys, musical instruments: Miss R. A. Orr .....		2-4160
Watercraft, marine supplies, recreational supplies: G. A. Taylor ..		2-5378
<b>Trade Services Branch</b>		
Director: E. C. Thorne .....		2-7163
Assistant Director: G. M. Schuthe .....		2-6236
<b>Allied Services Division</b>		
R. C. Montreuil .....		2-8888
Head, Directories Section: R. W. Bedard .....		2-6681
<b>Trade Controls Division</b>		
Chief: S. G. Barkley .....		2-5670
Head, Export and Import Permit Section: G. L. Tighe .....		2-3640
<b>Transportation Division</b>		
Chief: H. A. Hadskis .....		2-2737

**Regional Offices**

**Halifax, N.S., 5525 Artillery Place** .....Phone: 422-8491  
Regional Manager (Acting): W. A. Stewart .....Telex: 017429

**St. John's, Nfld., Sir Humphrey Gilbert Bldg., Duckworth St.**  
**(P.O. Box 5458)** ..... Phone: 2698  
Regional Officer: Mrs. B. Robertson.....Telex: 016282

**Winnipeg 1, Man., Room 521, 269 Main St.** .....Phone: WH3-7496  
Regional Manager: W. Mackenzie Hall .....Telex: 035287

**Vancouver 2, B.C., Room 405, Federal Bldg.,**  
**325 Granville St.** .....Phone: MU1-7161  
Regional Manager (Acting): K. F. Noble .....Telex: 045391

**Associated Services**

**Dominion Bureau of Statistics, Holland Ave., Tunney's Pasture**

Dominion Statistician: Walter E. Duffett ..... 2-2529  
Assistant Dominion Statistician: J. T. Marshall ..... 2-7695  
Assistant Dominion Statistician: S. A. Goldberg ..... 2-5458  
Publications Information and General Inquiries .....2-2489, 2-2959

**Export Credits Insurance Corporation, 309 Cooper St., P.O. Box 655**

President and General Manager: H. T. Aitken ..... CE2-4828  
Vice-President: A. W. Thomas ..... CE2-4828  
**Montreal Branch, Room 803, 407 McGill St.** ..... 288-9012  
**Toronto Branch, Room 1510, 55 York St.** ..... EM4-5778

**Translation Branch**

Chief: Emile Boucher ..... 2-2760

## Appendix "B"

### International Commodity Conferences and Agreements

In a number of international commodity trades complex problems arise from time to time involving, for example, a chronic imbalance of supply to demand. In certain instances these conditions have given rise to arrangements for inter-Governmental consultations by the organization of continuing international study groups, or the convening of international commodity conferences. In several instances inter-Governmental commodity marketing agreements have been developed in an effort to stabilize world market conditions and prices.

There are a variety of forms of conferences through which these international studies are conducted. Under various United Nations auspices study groups have been active in cocoa, cotton, wool, rubber, lead and zinc. There are international commodity agreements concerned with coffee, sugar, tin, and wheat. International consultations take place under the auspices of the O.E.C.D., in the latter organization's committees dealing with non-ferrous metals, iron and steel, pulp and paper, timber, chemicals and various other commodities of more advanced manufacture. The Economic Commission for Europe also maintains a Timber Committee in which Eastern, as well as Western, European countries are represented, and during 1962, there was in addition a Conference of the European Coniferous Lumber Industry which examined European softwood lumber import requirements with special reference to the effect of imports on the market stability of the European lumber trade. The schedule of the various meetings of these organizations is included below, following notes with respect to particular international commodity agreements.

#### Cocoa

A draft of a proposed International Cocoa Agreement has been developed in the FAO Cocoa Study Group which may lead to the convening of a World Cocoa Conference during the course of 1963. Although Canada is not a member of this Study Group, Canadian observers have attended and participated in discussions.

#### Coffee

A Conference was convened by the United Nations in July, 1962 to consider a draft of an International Coffee Agreement which had been



prepared in the Coffee Study Group. This Conference resulted in the negotiation of an Agreement intended to be of five years' duration with the objective of stabilizing the coffee market. The mechanism of the Agreement involved the comprehensive system of export quotas. Members will also investigate ways and means to reduce and eventually eliminate obstacles to increased trade and consumption of coffee. No price mechanisms are included within the agreement nor is any attempt made to increase coffee prices above those prevailing in 1962.

By the end of 1962, 54 countries had signed the agreement of which eight countries had either ratified or indicated their intention to ratify. Canada deposited an instrument of ratification on November 20. It is expected that the agreement will enter into force early in 1963.

The seat of the world coffee organization is in London, England, and the first meeting of the International Coffee Council will be held in the late spring of 1963.

## **Sugar**

Although the export quota provisions of the International Sugar Agreement became inoperative January 1, 1962, the International Sugar Council continued to function and commenced work on the preparations for convening an International Sugar Conference in 1963.

The meeting of the International Sugar Council in the spring of 1963 will examine the feasibility of convening a negotiating conference in the fall of 1963 to renew the Agreement which expires at the end of the year.

Canada has participated actively in the work of the International Sugar Council.

## **Tin**

A Second International Tin Agreement, to which Canada is a signatory, entered into force in February, 1961 with a total of 21 countries participating.

A revision of the prevailing floor and ceiling prices under the Agreement raised the floor price from £730 to £790 and the ceiling price from £880 to £965 a ton. A world-wide trend towards de-stocking was in evidence throughout the year and created some hesitancy among consumers in regard to forward purchases. In July and again in December, delegations from the Council held discussions with U.S. authorities in connection with the U.S. program for the release of tin from stockpile.

At the end of July, declining price levels for tin necessitated the entry of the Buffer Stock Manager into the market to provide support at the upper support price of £850. As a consequence, the price level stabilized at slightly above this level. A temporary rise in demand during November provided some price stimulation, however, by year end a declining trend was again in evidence.

## Wheat

A new International Wheat Agreement was concluded in 1962. The Agreement provides that so long as prices remain below the maximum price specified in the agreement, each member importing country undertakes to purchase from member exporting countries a specified percentage of its total commercial purchases of wheat. The exporting countries in turn agree, in association with one another, to supply all the commercial requirements of the importing countries so long as prices are lower than the maximum price. When prices reach the maximum, member exporting countries undertake to supply member importing countries with a specified quantity of wheat based on their average purchases over a recent period of years at a price not greater than the maximum, and importing countries are released from their obligation to make their purchases from member exporting countries. The Agreement also continues to provide for an annual review of the world wheat situation, an important feature of the 1959 agreement. These reviews are carried out in the light of information obtainable in relation to national production, stocks, prices and trade including special transactions under government assistance programs.

While similar in form, the new Agreement represents a significant advance on the 1959 Agreement. Among the main improvements is the wider participation of both importing and exporting countries. As a result of the accession of the U.S.S.R., all major exporters of wheat are now members of the International Wheat Agreement. Importing countries undertook to take a higher proportion of their total imports from exporting members and, as in 1959, a specified percentage for each importing country is set out in an annex to the 1962 Agreement.

Exporting countries also benefit from the establishment of minimum and maximum prices at a level  $12\frac{1}{2}$  cents above those of the 1959 Agreement. The minimum and maximum prices for No. 1 Manitoba Northern Wheat basis in store Fort William/Port Arthur are now U.S. \$1.62 $\frac{1}{2}$  and U.S. \$2.02 $\frac{1}{2}$  respectively.

The new Agreement entered into force on August 1, 1962, and covers the three-year period ending July 31, 1965.

## International Commodity Conferences, Study Groups and Committees in which the Department participated

### Lead and Zinc

International Lead and Zinc Study Group —Geneva

### Tin

International Tin Council —London  
—Bangkok

### Rubber

International Rubber Study Group —Washington

### Cotton

International Cotton Advisory Committee —Washington

Wool	International Wool Study Group	—London
Timber	E. C. E. Timber Committee	—Geneva
	European Softwood Importers and Exports Conference	—Amsterdam
Sugar	International Sugar Council	—London
Coffee	United Nations International Coffee Conference	—New York
	United Nations Coffee Study Group	—Washington
Cocoa	FAO Cocoa Study Group	—Montreux —Rome
Wheat	United Nations Wheat Conference	—Geneva
	International Wheat Council	—London
OECD Meetings	OECD Iron and Steel Committee	—Paris
	OECD Non-Ferrous Metals Committee	—Paris
	OECD Special Committee on Chemical Products	—Paris
	OECD Pulp and Paper Committee	—Paris

## Appendix “C”

## Projects of the Exhibition Commission 1962

## Part I Projects Abroad Sponsored by the Department of Trade and Commerce

1. *International Boat Show,  
Earl's Court, London, England.*

January 3-13      Space 2,444 sq. ft.      Attendance 260,000 public  
  14,519 buyers

20 firms participated with a variety of marine equipment, boats and accessories.

## 2. United States Regional Lumber Shows.

A 10 ft. portable lumber display was produced and shown at the following:

- (a) Northwestern Lumbermen's Association, Minneapolis, Jan. 9-10
- (b) Southwestern Lumbermen's Association, Kansas City, Jan. 19-21.
- (c) Illinois Lumber & Material Dealers' Association, Chicago, Feb. 13-15
- (d) Wisconsin Retail Lumbermen's Association, Milwaukee, Feb. 20-22
- (e) Lumber Association of Southern California, Long Beach, May 8-10
- (f) Oklahoma Lumbermen's Association, Oklahoma City, Oct. 20-21

3. *National Sporting Goods Association Convention, Morrison Hotel, Chicago, U.S.A.*

January 21-25                      Space 2,200 sq. ft.                      Attendance 14,500  
36 firms participated with a wide range of sporting goods.

#### 4. *Canadian Trade Fair, Lagos, Nigeria.*

January 17-28                      Space 12 acres                      Attendance 350,000  
91 firms participated in this solo fair with a wide range of goods. (see page 36).

5. *Canadian Trade Fair, Accra, Ghana.*

February 14-24                      Space 4½ acres                      Attendance 200,000  
87 firms participated in this solo fair with a wide range of goods. (see page 36).

6. *Internationale Hausrat-und Eisenwaren-Messe*  
(*International Household Goods & Hardware Fair*),  
Cologne, Germany.

February 23-26      Space 1,800 sq. ft.      Attendance 56,200  
10 firms participated with household commodities and hardware.

7. *Ideal Home Exhibition, London, England.*

March 6-31                      Space 9,200 sq. ft.                      Attendance 1,090,456  
32 firms participated with a wide range of goods.



8. *Foire Internationale de Lyon,*  
*Lyon, France.*  
March 23-April 2                      Space 1,620 sq. ft.                      Attendance 900,000  
13 firms participated mainly with consumer goods.
  
9. *Scotland's Food Exhibition,*  
*Glasgow, Scotland.*  
April 3-14                      Space 2,000 sq. ft.                      Attendance 197,000  
10 firms participated with food lines.
  
10. *Salon des Industries de la Fourrure,*  
*Paris, France.*  
April 5-9                      Space 900 sq. ft.                      Attendance 2,000  
A representative display of Canadian fur skins.
  
11. *Europäische Pelzwaren Messe,*  
*(European Fur Fair),*  
*Frankfurt, West Germany.*  
April 12-15                      Space 1,120 sq. ft.                      Attendance 13,000  
A display of fur skins and finished garments as shown in Paris.
  
12. *Rand Easter Show,*  
*Johannesburg, South Africa.*  
April 10-23                      Space 9,780 sq. ft.                      Attendance 502,859  
44 firms participated with furs, automobiles, heavy equipment and appliances, etc.
  
13. *Deutsche Industrie-Messe*  
*(German Industries Fair),*  
*Hanover, West Germany.*  
April 28-May 8                      Space 540 sq. ft.                      Attendance over 1,000,000  
A trade information office.
  
14. *Design Engineering Show,*  
*Chicago, U.S.A.*  
April 30-May 3                      Space 2,100 sq. ft.                      Attendance 12,500  
16 firms participated primarily with new and uniquely designed devices—  
mechanical, electronic and hydraulic.
  
15. *The North's Food Fair,*  
*Manchester, England.*  
May 8-19                      Space 1,840 sq. ft.                      Attendance 148,000  
6 firms participated with food lines.
  
16. *Foire de Paris,*  
*Paris, France.*  
May 19-31                      Space 344 sq. ft.                      Attendance 4,500,000  
A trade information office.
  
17. *Leather Importers, Factors & Merchants' Ass'n Exhibition*  
*Rubens Hotel, London, England.*  
May 22-24                      Space 252 sq. ft.                      Attendance 900  
8 firms participated.

18. *Foire Internationale de Bordeaux,  
Bordeaux, France.*  
June 16-28                      Space 260 sq. ft.                      Attendance 1,000,000  
A trade information office.
19. *Pacific Fine Foods Fair,  
Biltmore Hotel, Los Angeles, U.S.A.*  
July 15-18                      Space 525 sq. ft.                      Attendance 2,200  
15 firms participated with Canadian foods and liquors.
20. *Fifth International Food Congress and Exhibition,  
New York, U.S.A.*  
September 8-16                      Space 2,000 sq. ft.                      Attendance 75,000  
13 firms participated with food and confectionery.
21. *Mezinárodní Veletrh Brno  
(International Trade Fair),  
Brno, Czechoslovakia.*  
September 10-24                      Space 1,678 sq. ft.                      Attendance 1,100,000  
13 firms participated with a Gammacell 220, aluminum, chemicals, electronic equipment and synthetic rubber.
22. *Western Tool Show & Conference,  
Los Angeles, U.S.A.*  
October 1-5                      Space 1,600 sq. ft.                      Attendance 17,812  
9 firms participated with machine tools with automatic controls, scientific equipment, plastic production machines and garage equipment.
23. *Modern Homes Exhibition,  
Glasgow, Scotland.*  
October 3-20                      Space 1,800 sq. ft.                      Attendance 259,000  
8 firms participated with household goods and home equipment.
24. *National Electronics Conference,  
Chicago, U.S.A.*  
October 8-10                      Space 200 sq. ft.                      Attendance 15,000  
A trade information office.
25. *Building Trades Exhibition,  
Manchester, England.*  
October 9-20                      Space 1,962 sq. ft.                      Attendance 45,000  
Timber exhibit produced with the co-operation of various Canadian plywood and lumber associations illustrated Canadian wood in "A" frame construction. 5 firms participated in a Builders Hardware exhibit of heating equipment, alarm systems, locks, etc.
26. *Instrument-Automation Conference and Exhibit,  
New York, U.S.A.*  
October 15-18                      Space 1,800 sq. ft.                      Attendance 23,000  
16 firms participated with specialized electronic instruments and equipment.
27. *National Retail Lumber Dealers' Exposition,  
Chicago, U.S.A.*  
October 20-23                      Space 600 sq. ft.                      Attendance 25,000  
With the co-operation of Canadian plywood and lumber associations a two-storey structure illustrated the use of Canadian lumber, plywood, shingles, etc.

28. *Nigerian International Trade Fair,*  
*Lagos, Nigeria.*

October 27-November 18                      Space 10,300 sq. ft.                      Attendance 250,000  
A Canadian Pavilion was constructed with a floor space of 7,000 sq. ft. to house a total of 40 firms, 30 in individual booths, 10 in a composite display with a wide variety of Canadian products.

29. *The World Metal Show,*  
*New York, U.S.A.*

October 29-November 2                      Space 2,155 sq. ft.                      Attendance 21,357  
20 firms participated in the field of metal ores and metals.

30. *National Hotel Exposition,*  
*New York, U.S.A.*

November 12-15                      Space 3,670 sq. ft.                      Attendance 55,000  
22 firms participated in the field of food, food processing, institutional equipment and furniture.

31. *National Association of Homebuilders' Convention,*  
*Chicago, U.S.A.*

December 12-16                      Space 400 sq. ft.                      Attendance 26,000  
The two-storey exhibit prepared for the Retail Lumber Dealers' Association in Chicago was used for this showing.

32-33-34-35-36. *Building Centres in Britain.*

Semi-permanent displays on the use of Canadian lumber in British construction were designed and at the end of the year were in the process of being installed in business centre exhibits in London, Glasgow, Manchester, Bristol and Dublin.

## Part II Projects by other Departments of the Federal Government and Government Corporations

1. *Internationale Grüne Woche*  
*(Green Week Agricultural Fair),*  
*Berlin, Germany.*

January 26-February 5                      Space 1,600 sq. ft.                      Attendance 438,000  
The exhibit used in September 1961 at the ANUGA (Food and Provision) Fair in Cologne was modified and adapted to suit this Fair.

2. *Institute of American Poultry Industries*  
*Fact Finding Conference, Kansas City, U.S.A.*

February 9-11                      Space 400 sq. ft.                      Attendance 4,000  
Designed and produced for the Poultry Products Division of the Department of Agriculture to promote the sales of Canadian poultry products in the United States; stressed Canada's national system of inspection and grading. Attendance restricted to registered delegates.

3. *Miedzynarodowe Targi Poznanskie*  
*(International Trade Fair),*  
*Poznan, Poland.*

June 10-24                      Space 3,776 sq. ft.                      Attendance 460,000  
Exhibit of the products of some 40 companies to illustrate the theme "Canadian Industrial Design".

4. *12th World's Poultry Congress,*  
*Sydney, Australia.*

August 13-18

Space 812 sq. ft.

Attendance 4,500

Portrayed Canada's research, inspection and grading of poultry; produced on behalf of the Poultry Products Division of the Department of Agriculture.

5. *Armed Forces Exhibit,*  
*Canadian National Exhibition, Toronto.*

August 17-September 3

Overall area 100,842 sq. ft.

Attendance 3,000,000

For the Department of National Defence a large scale display was produced. A new site was developed on which a rented Arcon structure provided roughly 6,000 sq. ft. of covered space; heavy military equipment and service demonstrations occupied the uncovered area.

6. *Medunarodni Zagrebački Velesajam*  
*(International Fair),*  
*Zagreb, Yugoslavia.*

September 8-23

Space 1,760 sq. ft.

Attendance 300,000

The products of 27 firms from the Canadian Pavilion at Poznan were transferred to Zagreb and displayed against a new background.

7. *Deutsche Industrieausstellung*  
*(Industries Fair),*  
*Berlin, Germany.*

September 27-October 7

Space 1,613 sq. ft.

Attendance 385,000

Canada's External Aid was illustrated graphically and with models of External Aid projects secured from industry. A 97 seat cinema was in continuous operation showing films on Canadian life and industry.

8. *Travelling Display for Latin America.*

A portable and flexible display ideally suited to around 2,000 sq. ft. of floor space was dispatched to Buenos Aires in October. It presents a broad picture of Canada and is to be used over a period of several years in some 20 cities in South America.

9. *Atomic Energy of Canada Limited.*

In addition to minor display work the Commission designed and constructed two complete displays, one for use at the 8th International Cancer Congress in Moscow, July 22 to August 24 and the other for the 10th International Conference of Radiology, Montreal, August 26 to September 1.

### Part III International Exhibitions

*Century 21 Exposition,*  
*Seattle, U.S.A.*

April 21-October 21

Space 11,900 sq. ft.

Attendance over 10,000,000

(see page 36.)



## Part IV Domestic Events

1. *Canadian Samples Show,*  
*Queen Elizabeth Building,*  
*Exhibition Park, Toronto.*  
May 22-23

Facilities were rented from Toronto firms and installed to accommodate 121 firms in individual booths. (see page 12)

2. *Canadian Samples Show,*  
*Show Mart, Montreal.*  
June 19-20

Facilities were rented from Montreal firms and installed in the Show Mart to accommodate 125 firms in individual booths. (see page 12)

3. *National Design Branch.*

One 10 ft. display "Design in Industry" was designed and constructed while several other exhibits were in various stages of design at the year's end.

Appendix "D"

Location of Canadian Government  
Travel Bureau Offices Abroad

as at December 31, 1962

**Britain**

London

**United States**

Chicago

New York

San Francisco

## Appendix "E"

### Location of Trade Commissioner Service Offices Abroad

as at December 31, 1962

The 64 overseas posts were located in the following territories,  
at the centers indicated:

<b>Argentina</b>	<b>Ghana</b>	<b>Philippines</b>
Buenos Aires	Accra	Manila*
<b>Australia</b>	<b>Greece</b>	<b>Portugal</b>
Canberra	Athens	Lisbon
Melbourne*	<b>Guatemala</b>	<b>Rhodesia and Nyasaland</b>
Sydney*	Guatemala City	Salisbury*
<b>Austria</b>	<b>Hong Kong*</b>	<b>Singapore*</b>
Vienna	<b>India</b>	<b>South Africa</b>
<b>Belgium</b>	Bombay*	Cape Town*
Brussels	New Delhi	Johannesburg*
<b>Brazil</b>	<b>Ireland</b>	<b>Spain</b>
Rio de Janeiro	Dublin	Madrid
Sao Paulo*	<b>Israel</b>	<b>Sweden</b>
<b>Britain</b>	Tel Aviv	Stockholm
Belfast*	<b>Iran</b>	<b>Switzerland</b>
Glasgow*	Tehran	Berne
Liverpool*	<b>Italy</b>	<b>Trinidad-Tobago</b>
London	Rome	Port-of-Spain
<b>Ceylon</b>	<b>Jamaica</b>	<b>Union of Soviet</b>
Colombo	Kingston	<b>Socialist Republics</b>
<b>Chile</b>	<b>Japan</b>	Moscow
Santiago	Tokyo	<b>United Arab Republic</b>
<b>Colombia</b>	<b>Lebanon</b>	Cairo
Bogota	Beirut	<b>United States</b>
<b>Cuba</b>	<b>Mexico</b>	Boston
Havana	Mexico	Chicago*
<b>Denmark</b>	<b>Netherlands</b>	Detroit*
Copenhagen	The Hague	Los Angeles
<b>Dominican Republic</b>	<b>New Zealand</b>	New Orleans
Santo Domingo	Wellington	New York
<b>France</b>	<b>Nigeria</b>	Philadelphia*
Paris	Lagos	Washington
<b>Germany</b>	<b>Norway</b>	<b>Uruguay</b>
Bonn	Oslo	Montevideo
Duesseldorf*	<b>Pakistan</b>	<b>Venezuela</b>
Hamburg*	Karachi	Caracas
	<b>Peru</b>	
	Lima	

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine *Foreign Trade*).

\*Trade Commissioner posts at business centers other than capital cities where Canada has embassies and high commissions.

## Appendix "F"

### CANADIAN TRADE MISSIONS 1962

#### Originated and Planned

by the Department of Trade and Commerce

#### Outgoing Missions

##### **Clothing Mission to Europe—January 19 to February 9, 1962.**

The Netherlands, Sweden, Germany, Switzerland, Belgium.

10 members representing Canadian clothing manufacturers of ladies' dresses and sportswear, children's wear, men's fine clothing, shirts and accessories, men's casual wear and work clothing.

##### **Fisheries Products Mission to Latin America—January 30 to March 3, 1962.**

Brazil, Trinidad, Barbados, Puerto Rico, Dominican Republic, Jamaica, Cuba.

6 members representing the salt fish trade in the Atlantic provinces and Quebec.

##### **Home Heating and Associated Builders Supplies Mission to Europe—February 9 to March 5, 1962.**

Britain, Netherlands, West Germany, France.

8 members representing Canadian-made oil burners, space heaters, furnaces, air registers and grills, baseboard hot water heating, door hardware and steel partitions.

##### **General Trade Mission to Australia and New Zealand—March 10 to April 8, 1962.**

Sydney, Canberra, Melbourne, Adelaide, Brisbane, Perth, Hobart, Christchurch, Wellington, Auckland.

18 members representing Canadian industry and export interests generally. The members reported particularly on the markets for asbestos, sulphur, fertilizers, chemicals, aluminum, steel, wire and cable, heavy machinery, electronics, lumber, paper products, canned salmon and textiles.

##### **General Trade Mission to Israel—March 15 to March 30, 1962.**

Tel Aviv, Haifa, Jerusalem, Beersheba, Elath, Caesarea.

15 members representing a variety of Canadian export and import interests. The mission reported on the market in Israel for wood products, construction machinery and industrial equipment, automobile parts, electrical and electronic equipment, consulting engineering and contracting services. The mission also reported on the food industry in Israel and the variety of Israeli merchandise of interest to Canadian department stores.

##### **Forest Products Mission to the Middle East—March 22 to April 8, 1962.**

United Arab Republic (Egypt), Sudan, Saudi Arabia, Lebanon, Jordan, Iraq.

8 members representing Canadian lumber, wood pulp, paper and plywood.



**Electrical Appliances Mission—March 23 to April 11, 1962.**

Britain, Norway, Sweden, Netherlands.

8 members representing Canadian refrigerators, freezers, cooking and laundry equipment.

**Wood Products Mission to Britain—March 30 to April 15, 1962.**

London, Liverpool, Glasgow.

15 members representing Canadian manufacturers of furniture and components, hardwood flooring, doors and prefabricated houses, gift and household woodenware, confectionery sticks, whiskey barrels, butcher blocks, shoe last blocks, spools, bobbins and toy parts, wire and cable reels, pallets, box shooks and crating stock.

**Heavy Equipment Mission to Latin America—April 27 to June 1, 1962.**

Colombia, Peru, Chile, Argentina, Brazil.

7 members representing Canadian manufacturers of machinery and equipment for railroads, power generation and the pulp and paper, chemical and mineral industries.

**Iron Ore Mission to Europe—May 4 to May 26, 1962.**

Countries of the European Coal and Steel Community: Belgium, Netherlands, West Germany, Luxembourg, Italy and France.

10 members representing Canadian iron ore producers.

**Fruit and Vegetable Products Trade Mission to Europe—May 4 to June 2, 1962.**

Britain, West Germany, France, Belgium, Netherlands.

10 members representing Canadian canned and frozen fruit and vegetable products.

**Electrical Distribution Mission to Caribbean Countries—May 28 to June 23, 1962.**

Colombia, Venezuela, Trinidad, Jamaica, the Bahamas.

7 members representing Canadian makers of wire and cable, transformers, switch gear, high voltage line fittings, low voltage circuit panels and related products.

**Leather Mission to Europe—August 24 to September 15, 1962.**

Britain, West Germany, Switzerland, France, Ireland.

7 members representing the Canadian calf and side upper leather industry.

**Electronic Products Mission to Latin America—September 21 to October 18, 1962.**

Mexico, Venezuela, Colombia, Chile, Argentina, Brazil.

7 members representing Canadian makers of telephone, radio, television, airborne and marine communication equipment; geophysical survey equipment; automation and computer equipment.

**Timber Mission to the European Common Market—September 7 to September 30, 1962.**

Italy, Germany, Holland, Belgium, France.

15 members representing Canadian producers of softwood and hardwood lumber, cedar shingles, hardwood flooring, softwood and hardwood plywood.

**Appliances, Commercial Machinery and Medical Supplies Mission to the Middle East—September 27 to October 21, 1962.**

United Arab Republic (Egypt), Lebanon, Iraq, Iran.

11 members representing Canadian manufacturers of wringer washing machines, refrigerators, freezers, fans, ranges, X-ray machines, plumbing and heating equipment, camping equipment, commercial cooking and refrigeration equipment and stationery.

**Fisheries Products Mission to Europe—September 28 to November 2, 1962.**

Britain, France, Germany, Italy.

7 members representing Canadian producers of frozen fish on the Atlantic and Pacific coasts and inland.

**Forest Products Mission to Latin America—October 5 to October 27, 1962.**

Mexico, Peru, Venezuela, Trinidad, Puerto Rico.

8 members representing Canadian makers of lumber, wood pulp, plywood and paper.

**Organic Chemicals Mission to Latin America—November 2 to November 25, 1962.**

Colombia, Venezuela, Argentina, Brazil.

7 members representing Canadian producers of chemicals for the textile, rubber, plastics, paint, detergent, pesticide, petroleum refining and mining industries and chemical intermediates for further manufacture.

**Incoming Mission**

**Japanese Livestock Mission—August 20 to September 2, 1962.**

Ottawa, Toronto, Calgary, and Vancouver; numerous farms and stations in the three provinces.

6 members representing the Japanese livestock industry, with particular interest in Canadian pure bred cattle (dairy and beef) and swine.

## Appendix "G"

### Tariff Arrangements in Force as at December 31, 1962

Canada's tariff arrangements with other countries fall into three main categories: Trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements are: Australia, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward and Windward Islands, Trinidad, New Zealand, the Federation of Rhodesia and Nyasaland and Britain and Colonies. Canada also exchanges preferences with Ceylon, the Federation of Malaya, Cyprus, and Sierra Leone and accords preferences to India, Pakistan, Ghana, Nigeria, Tanganyika and Uganda. These agreements have been modified and supplemented by the GATT. In addition, Canada has trade agreements with Ireland and South Africa under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

There are at present 44 contracting parties to the agreement. The names of these, and the dates of their accession, are given in the table which follows. In addition, Switzerland, Tunisia, Argentina and Yugoslavia have acceded provisionally. The contracting parties approved the provisional accession of the United Arab Republic, effective January 9, 1963. Cambodia and Spain are expected to become full contracting parties in the near future. Poland also participates in the work of the GATT. Five rounds of major multilateral tariff negotiations have been held under the GATT, viz., at Geneva in 1947, Annecy in 1949, Torquay in 1950-51 and again at Geneva in 1956 and 1960.

Canada already had most-favoured-nation trade agreements with most contracting parties prior to the effective date of the General Agreement. These arrangements continue in force in conjunction with the GATT. As an exception, however, the Canada-USA Trade Agreement was suspended for as long as both parties should continue to be contracting parties to the GATT.



Trade relations between Canada and many other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders in Council, by continuation to newly independent states of the same treatment originally negotiated with the mother country and by even less formal arrangements.

Further particulars regarding tariff agreements and arrangements in force on December 31, 1962 may be summarized as follows:

## 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed Feb. 12, 1960, in force June 30, 1960.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.
	GATT effective Jan. 1, 1948.	
Britain .....	Trade Agreement signed Feb. 23, 1937, effective Sept. 1, 1937; modified by exchanges of letters Nov. 16, 1938, and Oct. 20, 1947.	Various concessions are granted by each country including exchange of preferential tariff rates. The Agreement (as modified) includes provisions relating to the Colonies, Dependencies and Trusteeships.
	GATT effective Jan. 1, 1948.	
British Caribbean, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward and Windward Islands, and Trinidad.	Canada—British West Indies Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
	Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward and Windward Islands, and Trinidad participate in GATT.	
Ceylon .....	Relations continue to be Governed by Trade Agreement of 1937 with Britain.	Canada and Ceylon exchange preferential tariff treatment.
	GATT effective July 29, 1948.	
Cyprus .....	Relations continue to be governed by Trade Agreement of 1937 with Britain.	Canada exchanges preferential treatment with Cyprus.



Country	Agreement	Principal Terms
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Oct. 18, 1957.	Canada accords British preferential treatment to Ghana, (except on cocoa beans). Exchange of most-favoured-nation treatment.
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation. GATT effective July 8, 1948	Canada accords British preferential treatment to India.  Exchange of most-favoured-nation treatment.
Malaya, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Oct. 24, 1957.	Canada and Federation of Malaya exchange preferential tariff treatment.
New Zealand .....	Trade agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.
Nigeria, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Oct. 1, 1960.	Canada accords British preferential treatment to Nigeria. Exchange of most-favoured-nation treatment.
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation. GATT effective July 30, 1948.	Canada accords British preferential treatment to Pakistan. Exchange of most-favoured-nation treatment.
Rhodesia and Nyasaland, Federation of .....	Trade Agreement signed Feb. 6, 1958; effective Feb. 7, 1958.  GATT effective in Southern Rhodesia, May 19, 1948; extended to whole Federation, Oct. 29, 1954.	Canada exchanges preferential tariffs with the Federation of Rhodesia and Nyasaland.
Sierra Leone .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective April 27, 1961.	Canada and Sierra Leone exchange preferential tariff treatment.
Tanganyika .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective December 9, 1961.	Canada accords British preferential treatment to Tanganyika. Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Uganda .....	Relations continue to be governed by Trade Agreement of 1937 with Britain.	Canada accords British preferential treatment to Uganda.
	GATT effective October 9, 1962.	Exchange of most-favoured-nation treatment.

## 2. Arrangements with Non-Commonwealth Countries

Algeria .....	Franco - Canadian Trade Agreement of 1933 applied to Algeria.	Since the creation of Algeria as an independent state in 1962, Canada has continued to grant most-favoured-nation rates.
Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective Oct. 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg ....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
	GATT effective Jan. 1, 1948.	
Benelux (Belgium-Netherlands-Luxembourg Customs Union)	See Belgium - Luxembourg and Netherlands.	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943.	Exchange of most-favoured-nation treatment.
Burma .....	GATT effective July 31, 1948.	
Cambodia .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
	Franco - Canadian Trade Agreement of 1933 applied to Cambodia.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Cameroons .....	Franco - Canadian Trade Agreement of 1933 applied to Cameroons.	Since the creation of Cameroons as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.

Country	Agreement	Principal Terms
Central African Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Central African Republic.	Since the creation of the Central African Republic as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chad .....	Franco - Canadian Trade Agreement of 1933 applied to Chad.	Since the creation of Chad as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943. GATT effective Mar. 16, 1948.	Exchange of most-favoured-nation treatment.
China .....	Modus vivendi signed Sept. 26, 1946.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice
Colombia .....	Treaty of Commerce with Britain of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912, and exchange of notes Dec. 30, 1938. A Trade Agreement between Canada and Colombia was signed Feb. 20, 1946, but has not been put into force.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Congo, Republic of (Brazzaville) .....	Franco - Canadian Trade Agreement of 1933 applied to Congo (Brazzaville).	Since the creation of Congo (Brazzaville) as an independent state in 1960, Canada has continued to grant most - favoured - nation rates.
Congo, Republic of (Leopoldville) .....	Belgo-Canadian Convention of Commerce of 1924 applied to the Congo (Leopoldville).	Since the Congo's independence in 1960, Canada has continued to grant most-favoured-nation rates.
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment.
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928. GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

Country	Agreement	Principal Terms
Dahomey .....	Franco - Canadian Trade Agreement of 1933 applied to Dahomey.	Since the creation of Dahomey as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with Britain of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force Jan. 22, 1941. GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions.
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt .....	(See United Arab Republic)	
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948. GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories .....	Trade Agreement signed May 12, 1933; in force June 10, 1933. Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.
Gabon .....	Franco - Canadian Trade Agreement of 1933 applied to Gabon.	Since the creation of Gabon as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Kuwait .....	Canada - United Kingdom Agreement of 1937 applied to Kuwait as a British Protectorate.	Since the independence of Kuwait in June 1961, Canada has continued to accord most-favoured-nation rates.
Germany, Federal Republic .....	GATT effective Oct. 1, 1951.	Exchange of most-favoured-nation treatment.



Country	Agreement	Principal Terms
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947. GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Guinea .....	Franco - Canadian Trade Agreement of 1933 applied to Guinea.	Since creation of Guinea as independent state in 1958, Canada has continued to grant most-favoured-nation rates.
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and Britain on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951. Iran accorded m.f.n. treatment from Sept. 5, 1956.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non-preferential items. May be terminated on six months' notice.
Israel .....	Canada - United Kingdom Agreement of 1937 applied under the British Palestine Mandate. GATT effective July 5, 1962.	Exchange of most-favoured-nation treatment.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.

Country	Agreement	Principal Terms
Ivory Coast .....	Franco - Canadian Trade Agreement of 1933 applied to the Ivory Coast.	Since the creation of the Ivory Coast as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Japan .....	Agreement on Commerce, signed Mar. 31, 1954; effective June 7, 1954. GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. Remains in force for one year from ratification and thereafter unless terminated on three months' notice.
Kuwait .....	Canada - United Kingdom Agreement of 1937 applied to Kuwait as a British Protectorate.	Since independence of Kuwait in June 1961, Canada has continued to accord most - favoured-nation rates.
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation rates.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council effective Mar. 1, 1955.	Canada grants most-favoured-nation tariffs rates.
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Malagasy Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Malagasy Republic.	Since the creation of Malagasy Republic as an independent state in 1960, Canada has continued to grant most - favoured-nation rates.
Mali, Federation of .....	Franco - Canadian Trade Agreement of 1933 applied to Mali.	Since the creation of Mali as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Mauritania .....	Franco - Canadian Trade Agreement of 1933 applied to Mauritania.	Since the creation of Mauritania as an independent state in 1960, Canada has continued to grant most - favoured - nation rates.
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date. Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.

Country	Agreement	Principal Terms
Morocco .....	Various agreements applied to French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date. GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment.
Niger .....	Franco - Canadian Trade Agreement of 1933 applied to Niger.	Since the creation of Niger as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.  GATT effective July 10, 1948.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchanges of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.



Country	Agreement	Principal Terms
Portugal, Portuguese adjacent islands and Portuguese overseas provinces	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955. GATT effective May 6, 1962.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Senegal .....	Franco - Canadian Trade Agreement of 1933 applied to Senegal.	Since the creation of Senegal as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
South Africa .....	Trade Agreement signed August 20, 1932; in force October 13, 1932.  Exchange of notes August 2-31, 1935; effective retroactively from July 1, 1935.  GATT effective June 14, 1948.	Exchange of British preferential rates on scheduled items. May be terminated on six months' notice.  Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.  Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.  Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.
Sweden .....	United Kingdom - Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.  GATT effective May 1, 1950.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.
Switzerland .....	United Kingdom - Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement, effective July 14, 1947.  Switzerland has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.



Country	Agreement	Principal Terms
Syrian Arab Republic ....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Togoland .....	Franco - Canadian Trade Agreement of 1933 applied to Togoland.	Since the creation of Togoland as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation rates.
Turkey .....	Tunisia has acceded to the GATT provisionally. Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.  GATT effective Oct. 17, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Union of Soviet Socialist Republics ....	Trade Agreement signed Feb. 29, 1956, renewed April 18, 1960. Ratifications exchanged Sept. 16, 1960.	Exchange of most-favoured-nation treatment and undertaking by U.S.S.R. to purchase from Canada twice as much as their sales to Canada up to \$25 million annually. At least half of Soviet purchases are to be in wheat. In force for three years from date of signature and may thereafter be extended by mutual agreement.
United Arab Republic .... (Egypt)	Exchange of notes Nov. 26 and Dec. 3, 1952; in force Dec. 3, 1952.	Exchange of most-favoured-nation rates. May be terminated on six months' notice.
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT. GATT effective Jan. 1, 1948.	Most-favoured-nation treatment exchanged.
Upper Volta ..... (Voltaic Republic)	Franco - Canadian Trade Agreement of 1933 applied to Upper Volta.	Since the creation of Upper Volta as an independent state in 1960, Canada has continued to grant most-favoured-nation rates.
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953. GATT effective Dec. 16, 1953.	Most-favoured-nation treatment.

Country	Agreement	Principal Terms
Venezuela .....	Modus vivendi signed and brought into force Oct 11, 1950.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state in 1955, Canada has continued to accord most favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom - Serb - Croat - Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928. Yugoslavia has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

## Appendix "H"

### Legislation Administered by the Department of Trade and Commerce

1. Legislation for which the Department is administratively responsible.

Department of Trade and Commerce Act

Electricity Inspection Act

Export Act

Export and Import Permits Act

Gas Inspection Act

National Trade Mark and True Labelling Act

Precious Metals Marking Act

Weights and Measures Act

2. Other Legislation, reported to Parliament through the Minister of Trade and Commerce

Corporations and Labour Unions Returns Act

Export Credits Insurance Act

National Design Council Act

National Energy Board Act

National Productivity Council Act

Northern Ontario Pipe Line Crown Corporation Act

Statistics Act

## Appendix "I"

### Distribution of Departmental Staff as at December 31, 1962

	1961	1962
Administration Branch .....	184	209
Agriculture and Fisheries Branch .....	26	25
Canadian Government Exhibition Commission ....	100	82
Commodities Branch .....	117	61
Economics Branch .....	41	40
Industrial Promotion Branch .....	44	43
International Trade Relations Branch .....	64	59
National Design Branch .....	7	6
Small Business Branch .....	10	13
Standards Branch .....	416	420
Trade Commissioner Service .....	570	572
Trade Fairs and Missions Branch .....		12
Trade Publicity Branch .....	30	34
Trade Services Branch .....	—	49
	<hr/> 1,609	<hr/> 1,625
In addition to the above:		
Dominion Bureau of Statistics .....	1,805	1,795
	<hr/> 3,414	<hr/> 3,420

*Note:*

P.C. 1962-1678 of 27 November, 1962, authorized the transfer of the duties and functions of the Canadian Government Travel Bureau from the Minister of Northern Affairs and National Resources to the Minister of Trade and Commerce. The transfer of the 113 positions which form the Travel Bureau's staff was in process at year end.



## Appendix "J"

### Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1960-61 and 1961-62

ORDINARY	1960-61	1961-62
Minister's Salary and Motor Car Allowance .....	\$ 17,000	\$ 17,000
General Administration		
Departmental Administration .....	3,063,804	3,630,537
Trade Commissioner Service		
Administration and Operation .....	4,411,042	4,985,911
Construction or Acquisition of Buildings, Land, Equipment and Furnishings .....	103,155	169,756
Exhibitions		
Exhibitions Branch .....	855,443	1,461,563
Standards Branch .....	2,530,358	2,703,535
Dominion Bureau of Statistics		
Continuing Operations .....	9,488,239	12,418,978
Expenses in connection with the 1958 Survey of Farm Income and Expenditure .....	11,636	12,945
Expenses in connection with the 1961 Decennial Census of Canada .....	906,059	12,189,487
	<u>\$21,386,736</u>	<u>\$37,589,712</u>
SPECIAL		
Pensions and Other Benefits to former locally engaged employees of offices abroad .....	3,907	4,051
Gratuities to Families of Deceased Employees .....	860	800
	<u>\$ 4,767</u>	<u>\$ 4,851</u>
TOTAL .....	<u>\$21,391,503</u>	<u>\$37,594,563</u>

#### 2. Statement of Revenue for the Fiscal Years 1960-61 and 1961-62

	1960-61	1961-62
Weights and Measures Inspection Services .....	\$ 1,077,610	\$ 1,087,598
Electricity and Gas Inspection Services .....	858,265	959,487
Eldorado Mining and Refining Limited, (Dividends on Shares) .....	4,935,000	5,000,000
Northern Ontario Pipe Line Crown Corporation— Interest on Loans .....	4,298,503	4,310,142
Export Credits Insurance Corporation—Excess of premiums over amount required to meet expenses and overhead arising out of insurance contracts entered into under Section 21 of the Export Credits Insurance Act .....	935,240	800,800
Miscellaneous .....	81,384	67,538
TOTAL .....	<u>\$12,186,002</u>	<u>\$12,225,565</u>

## Appendix "K"

### Directory of Boards, Crown Companies and Agencies

Reporting to Parliament through the Minister of Trade and Commerce

*Dominion Bureau of Statistics—*

Dominion Statistician, W. E. Duffett

*Eldorado Aviation Limited—*

President, A. B. Caywood

*Eldorado Mining and Refining Company Limited—*

President, W. M. Gilchrist

*Export Credits Insurance Corporation—*

President and General Manager, H. T. Aitken

*National Design Council—*

Chairman, John C. Parkin

*National Energy Board—*

Chairman, Ian N. McKinnon

*National Productivity Council—*

Chairman, H. George DeYoung

*Northern Ontario Pipe Line Crown Corporation—*

President, James A. Roberts

*Northern Transportation Company Limited—*

President, W. M. Gilchrist

The activities of these organizations are described in their respective annual reports.

## Appendix "L"

### Export Credits Insurance Corporation

The Corporation, a Crown Company whose chairman is the Deputy Minister of Trade and Commerce, issues its own annual report which is presented to Parliament by the Minister of Trade and Commerce. Thus, while not part of the Department, the following details of the Corporation's activities are given here because, in the field of trade promotion, they are closely related to those of the Department.

The Corporation operates in two main fields—that of export credits insurance and that of long term export financing.

#### Export Credits Insurance

The Corporation provides insurance at an appropriate premium to Canadian exporters of consumer goods, capital goods, and engineering, construction, technical or similar services to protect them against non-payment by foreign buyers due to credit and political risks involved in foreign trade. Policies issued under Section 14 of the Act, which authorizes a maximum liability of \$200 million, are at the Corporation's risk, and the liability of the Corporation as at December 31, 1962 in respect of these Policies was \$72 million.

Section 21 of the Export Credits Insurance Act provides that the Governor in Council may authorize the Corporation to enter into a contract of insurance where the Board is of the opinion that the proposed contract of insurance would impose upon the Corporation a liability for a term or in an amount in excess of that which the Corporation would normally undertake in relation to any one contract, exporter, commodity or country, and in the opinion of the Minister it is in the national interest that the proposed contract be entered into. Policies issued under Section 21, which authorizes a maximum liability of \$400 million, are at the risk of the Consolidated Revenue Fund and the liability under such Policies at December 31, 1962 was \$196 million.

# Analysis by Countries of Actual Risks Underwritten During 1962

<i>Country</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
<i>Commonwealth</i>		
Australia .....	\$	\$ 9,220,199
Bermuda .....		225,055
Borneo .....		19,738
British East Africa .....		58,103
British Guiana .....		585,018
British Honduras .....		39,980
British Oceania .....		259
British West Indies .....		5,367,080
Ceylon .....		35,402
Cyprus .....		3,648
Fiji Islands .....		13,206
Ghana .....		5,518,868
Hong Kong .....		344,605
India .....		612,611
Jamaica .....		364,450
Malaya .....		256,468
Malta .....		1,510
Mauritius .....		4,406
New Zealand .....		3,129,526
Nigeria .....		747,210
Pakistan .....		10,020
Rhodesia & Nyasaland .....		254,253
Sierra Leone .....		59,125
Trinidad & Tobago .....		187,567
United Kingdom .....		11,832,352
 TOTAL COMMONWEALTH COUNTRIES	 \$	 \$38,890,659



# Analysis by Countries of Actual Risks Underwritten During 1962

<i>Country</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
<i>Foreign</i>		
Arabia .....	\$	\$ 8,471
Argentina .....		8,525,927
Austria .....		302,534
Belgium .....		1,214,118
Bolivia .....		148,822
Brazil .....		2,671,534
Burma .....		1,746
Chile .....		2,187,955
China .....		4,096
Colombia .....		2,582,121
Congo .....		21,127
Costa Rica .....		502,460
Cuba .....		11,463
Denmark .....		497,291
Dominican Republic .....		1,383,647
Ecuador .....		248,708
Ethiopia .....		7,697
Finland .....		285,529
France .....		1,997,937
French Africa .....		3,168
French Oceania .....		2,147
French West Indies .....		7,760
German Fed. Rep. ....		3,392,488
Greece .....		925,979
Guatemala .....		989,411
Haiti .....		97,140
Honduras .....		294,944
Iceland .....		61,762
Iran .....		487,028
Iraq .....		215,587
Ireland .....		214,965
Israel .....		109,095
Italy .....		3,006,049
Japan .....		20,253
Jordan .....		1,590
Kuwait .....		6,216
Lebanon .....		120,032
Malagasy Rep. ....		37
Mexico .....		5,066,150
Morocco .....		16,660
Netherlands .....		1,402,117
Netherlands Antilles .....		199,317
Nicaragua .....		669,446
Norway .....		1,368,924
Panamá .....		802,823
Paraguay .....		76
Peru .....		1,813,961
Philippines .....		45,697
Poland .....	34,443,749	12,830
Portugal .....		96,415

# Analysis by Countries of Actual Risks Underwritten During 1962 —Conc.

<i>Country</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
<i>Foreign (cont'd)</i>		
Portuguese Africa .....	\$	\$ 24,272
Puerto Rico .....		1,183,106
St. Pierre & Miquelon .....		69,511
Salvador .....		448,905
South Africa .....		1,214,261
Spain .....		169,539
Sudan .....		5,578
Surinam .....		117,432
Sweden .....		1,104,690
Switzerland .....		926,801
Syria .....		13,293
Taiwan .....		837,607
Thailand .....		71,519
Turkey .....		31,488
United States of America .....	14,993,492	4,265,584
U.S. Oceania .....		269
Uruguay .....		417,163
Venezuela .....		2,506,175
Virgin Islands .....		7,758
 TOTAL FOREIGN COUNTRIES .....	 \$49,437,241	 \$57,468,201
 TOTAL ALL COUNTRIES .....	 \$49,437,241	 \$96,358,860
 GRAND TOTAL ALL COUNTRIES .....		 <u>\$145,796,101</u>

## Long Term Export Financing

Under Section 21A of the Act the Corporation may, with the authority of the Governor in Council, provide long term financing for export sales of capital goods up to a total of \$300 million.

The guiding rules that determine the eligibility of transactions for long term financing are that the extended credit terms (beyond five years) are clearly necessary and justifiable; that the transaction gives promise of continuing export trade; that the Canadian content is not less than 80 percent; that the transaction gives rise to significant employment and industrial benefits in Canada; that the export transaction is substantial in value; and that the foreign buyer and country of purchase have a satisfactory credit standing.

To December 31, 1962 contracts had been signed, details of which are given on the following schedule, covering \$57 million of capital goods to be exported.

## FINANCING AGREEMENTS UNDER SECTION 21A OF THE EXPORT CREDITS INSURANCE ACT AT DECEMBER 31, 1962

Contract No.	Country and Importer (guarantor in brackets)	Products Financed and Exporter	Date of Contract	Amount Authorized, (Currency of Contract) and Interest Rate	Disbursed	Repaid	Repayment Terms
	ARGENTINA						
61-2	Empresa Ferrocarriles del Estado Argentino (Government of Argentina)	Locomotives - Montreal Locomotive Works Ltd.	Nov. 6/61	\$12,500,000 6%	—	—	13 s.a. from Nov. 6/64
62-3	The Province of La Pampa (Bank of Province of Buenos Aires)	Road Graders - The Dominion Road Machinery Co. Ltd.	April 11/62	\$ 975,000 6%	\$ 944,857	—	16 s.a. from April 15/63
	BRAZIL						
61-4	Companhia Siderurgica Nacional	Locomotives - Montreal Locomotive Works Ltd.	Dec. 20/61	\$ 2,600,000 6%	\$ 2,387,460	—	15 s.a. from Dec. 20/64
62-2	Rede Ferroviaria Federal S.A. (National Treasury of Brazil)	Locomotives - General Motors Diesel Ltd.	April 3/62	\$ 6,032,250 (US \$ 5,600,000) 6%	—	—	14 s.a. from Dec. 15/65
	CHILE						
61-1	Industrias Forestales S.A. (Corporacion de Fomento de la Produccion)	Newsprint pulp and paper mill - John Inglis Co. Ltd. & Sandwell & Co. Ltd.	Aug. 18/61	\$13,500,000 6%	\$ 6,921,741	—	25 s.a. from Oct. 1/64
	LIBERIA						
62-1	Republic of Liberia.....	Telecommunications network - RCA Victor Co. Ltd.	Feb. 1/62	\$ 1,615,781 (US \$ 1,500,000) 6%	—	—	16 s.a. from Aug. 1/64
	MEXICO						
61-3	Ferrocarriles Nacionales de Mexico (Nacional Financiera S.A.)	Rails - Dominion Steel and Coal Corp. Ltd.	Dec. 14/61	\$13,464,844 (US \$12,500,000) 6%	\$12,553,003 (US \$11,607,138)	\$480,883 (US \$446,428)	28 quar. from Sept. 1/62

FINANCING AGREEMENTS UNDER SECTION 21A OF THE EXPORT CREDITS INSURANCE ACT AT DECEMBER 31, 1962— *Concluded*

Contract No.	Country and Importer (guarantor in brackets)	Products Financed and Exporter	Date of Contract	Amount Authorized, (Currency of Contract), and Interest Rate	Disbursed	Repaid	Repayment Terms
62-4	PAKISTAN East Pakistan Industrial Development Corp. (Government of Pakistan)	Paper mill equipment— Canadian General Electric Co. Ltd. and Sandwell Consultants Ltd.	Nov. 23 /62	\$ 6,351,000 6%	\$ 275,000	—	25 s.a. from Sept. 1 /65
			TOTALS	\$57,038,875	\$23,082,061	\$480,883	





# ANNUAL REPORT

DEPARTMENT  
OF  
TRADE AND COMMERCE

1963



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A15



Seventy-Second

ANNUAL REPORT

Department  
of  
Trade and Commerce  
1963

The Hon. Mitchell Sharp, *Minister*  
James A. Roberts, *Deputy Minister*

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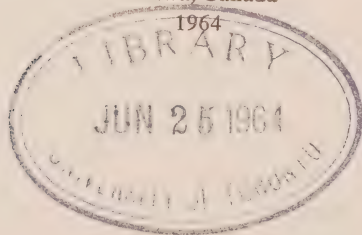
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1963



OTTAWA, JUNE 15TH, 1964.

The Honourable Mitchell Sharp,  
Minister of Trade and Commerce,  
Ottawa, Canada.

Sir:

I have the honour to submit the Seventy-Second Annual Report of the Department of Trade and Commerce, which covers the operations and services rendered during the calendar year 1963.

Your obedient servant,

JAMES A. ROBERTS,  
*Deputy Minister.*



OTTAWA, JUNE 15TH, 1964.

To His Excellency General Georges P. Vanier, P.C., D.S.O.,  
M.C., C.D.,  
Governor General of Canada.

May it please Your Excellency:

I have the honour to submit to Your Excellency the Seventy-Second Annual Report of the Department of Trade and Commerce covering the calendar year 1963.

A summary of the operations and services rendered by this Department, under their respective headings, is laid before Your Excellency.

Respectfully submitted,

MITCHELL SHARP,  
*Minister of Trade and Commerce.*





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## INTRODUCTION

The Department of Trade and Commerce was established by Act of Parliament on June 23, 1887, although the Act was not brought into effect until December 3, 1892. The first Minister of Trade and Commerce was sworn in four days later.

Speaking in debate on the Bill to create a Department of Trade and Commerce, Prime Minister Sir John A. Macdonald explained that "the rapidly and largely increasing trade of Canada has made it necessary, or at all events expedient, to appoint a Minister whose time and attention and energy should be applied to the important object of developing and maintaining everything connected with our trade and commerce, whether it be home or foreign trade."

The name of the new Department was chosen deliberately, the Prime Minister said, because it indicated what the new Minister was to do. "He is to attend to everything connected with trade, foreign or domestic. He is to attend to everything connected with commerce in its widest signification as having a wider scope than the word trade."

The Department took over the direction of the work of seven Honorary Commercial Agents in 1892 and these officers became the first members of what was to become the Canadian Government Trade Commissioner Service.

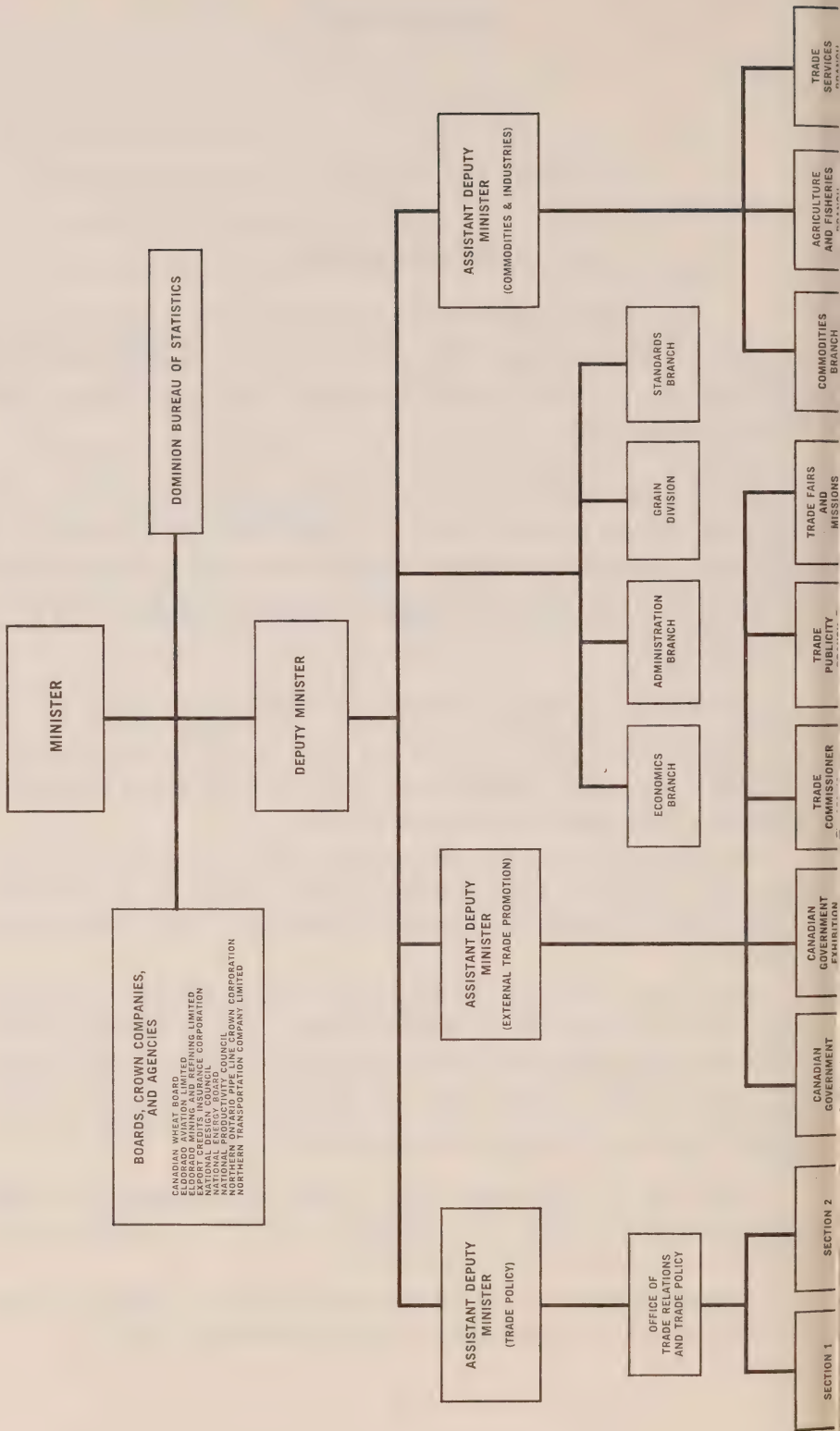
During the early years, the Department's duties involved control and supervision of Customs and of Internal Revenue, the administration of the provisions of the Chinese Immigration Act and the direction of the Canadian Government Motion Picture Bureau, in addition to matters more directly concerned with trade such as the administration of steamship and mail subsidies and all Acts relating to the regulation of trade.

Over time, the Department's work in trade and commerce has become predominant in the export field, although it continues to perform certain functions in the area of domestic commerce.

A definitive history of the Department has been in preparation during the past year and is expected to be ready for publication in 1965.

# DEPARTMENT OF TRADE AND COMMERCE ORGANIZATION CHART

(AS OF DECEMBER 31, 1963)





## STRUCTURE AND SERVICES OF THE DEPARTMENT

During 1963, the organization and functions of the Department underwent some modification as the result of the creation of the Department of Industry, which absorbed most of the personnel and activities that had been assigned to the former Domestic Commerce Service of the Department of Trade and Commerce. As a result, by the end of 1963, the work of the Department was assigned among three major areas of responsibility, each under the supervision of an Assistant Deputy Minister, as shown in the organization chart on the opposite page. Information on the functions and activities of the various branches and divisions is detailed elsewhere in this report.

In November, the Trade Policy Service of the Department was re-organized to meet the changing requirements of the Canadian business community and the increased needs of the Government in the field of trade policy. What had been the International Trade Relations Branch became the Office of Trade Relations and Trade Policy, containing nine divisions divided between two sections.

The Minister of Trade and Commerce also has responsibility for a number of Boards, Crown Companies and Agencies, which report to Parliament through him but which are not part of the Department *per se*. The work of the Dominion Bureau of Statistics, for example, has broadened into areas that now touch on nearly every Department of Government, but its operation remains the direct responsibility of the Minister, as do the duties delegated to Crown organizations under the National Energy Board Act and the Export Credits Insurance Act. (For details of the Export Credits Insurance Corporation, see Appendix "L".) The Canadian Wheat Board returned to the Minister's jurisdiction during the year.

The Minister of Trade and Commerce shares with the Minister of Labour responsibilities under the National Productivity Council Act.

## SPECIAL DEPARTMENTAL PROGRAMS

While this report gives details of the work done by all branches and divisions of the Department during 1963, several major projects embraced the activities of virtually all branches, or were of such a nature that they cannot appropriately be reported under branch or division headings.

"Operation World Markets" was an outstanding example of this kind of program. The biggest single trade promotion project carried out by the Department during the year, it was divided into four phases:

*World Markets—Machinery.* Late in March more than 160 senior industrial personnel from 53 countries were flown into Canada for a week's tour of 135 Canadian machinery and equipment plants. The visitors were men who had the responsibility for specifying machinery and equipment purchased for their companies, organizations or governments and the tour was arranged to acquaint them with the high degree of sophisticated engineering and capital equipment available from Canadian plants. Organized into groups of similar interest, the visitors saw plants in 56 cities across Canada.

*National Canadian Samples Show.* This was held at the Canadian National Exhibition grounds in Toronto from April 2 to 4. Some 600 buyers were brought by air from 17 countries and spent three days examining the products of 397 Canadian manufacturers in the consumer goods field. The success of the show was attested to by the results of a survey taken some three months later: firm orders totalling more than \$1,500,000 were reported by 126 companies that had taken part; many others reported they had made sales but preferred not to divulge any figures.

*Trade Commissioners' Conference.* Some 130 Canadian Government Trade Commissioners had been called to Ottawa from posts abroad in connection with Operation World Markets. Advantage was taken of their presence to stage a four-day conference with officials from head office, at which all aspects of the Department's foreign trade promotion programs, policies and practices were considered and discussed. Many recommendations thus obtained from the field have since been incorporated in the Department's activities.

*Second Export Trade Promotion Conference.* Between April 16 and May 3, 1,478 Canadian businessmen had 12,805 interviews with the Trade Commissioners to discuss problems relating to individual marketing programs or plans in specific foreign markets. The Trade Commissioners returned to their posts, carrying with them hundreds of serious business enquiries from Canadian firms seeking distributors or agents for their products.

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In September, the Deputy Minister made an official trade visit to Poland, Czechoslovakia and Yugoslavia, in response to repeated invitations from trade officials of those countries. He had helpful discussions with Deputy Trade Ministers in each country, in which he was able to clarify a number of matters concerning Canadian trade policy and related subjects. In each case, the Deputy Minister's suggestion that long term trade agreements be considered was received with cordial interest. Such agreements were signed with Poland and Czechoslovakia before the end of the year.

In December, the Minister convened a Federal-Provincial Conference of Trade Ministers in Ottawa to discuss matters of common interest in the

foreign trade field. The conference recognized that the Federal Government has responsibility for foreign trade policy, taking fully into account the many and varied interests throughout the country. It was agreed that the Federal Department of Trade and Commerce should continue to give leadership in external trade promotion and that the provinces also have a vital role to play, by virtue of their responsibilities and activities in economic development. Views were exchanged on respective export trade promotion efforts and Federal and Provincial programs and facilities were reviewed. It was recognized that greater co-operation in trade promotion activities between the two levels of government was desirable and to this end it was agreed that there should be continuing liaison and frequent meetings between the Federal and Provincial authorities concerned.

## COMMODITIES AND INDUSTRIES SERVICE

In the promotion of Canada's foreign trade, the Department has two matching roles to play—finding demands abroad for Canadian goods and services, and finding sources of supply to match demands. The latter role is the principal concern of the two commodity branches which, together with the Trade Services Branch, comprise the Commodities and Industries Service. Close liaison with industry is maintained in order to develop the information on materials, products and services for export which forms the basis for the Department's trade promotion and trade supporting activities. The liaison also serves as a link in the chain of communication of commercial intelligence on foreign trade opportunities.

### Agriculture and Fisheries Branch

The work of the Agriculture and Fisheries Branch is concerned with promoting the sale in world markets of the products of Canada's agriculture and fisheries industries, maintaining a system of reporting on the agriculture in foreign countries, and co-operation with other branches of this Department and other departments in connection with international agricultural developments and commodity agreements.

The Branch includes a Fisheries Division, Livestock and Animal Products Division and Plant Products Division. In addition, the office of the Director includes a market information and research unit. The Grain Division is attached to the Branch for administrative purposes but in its operations is responsible to the Deputy Minister.

Trade promotional activities remained at a high level in 1963 and effective liaison continued with the trade, producers and processors, provincial marketing boards, industry associations and with other government departments, both federal and provincial. Besides handling numerous trade enquiries, the Branch organized participation in five food exhibits in four



different countries. Three "outgoing" and six "incoming" missions were organized by Branch Officers.

During the year, the Branch handled 750 reports and 400 short notes on agricultural and fisheries topics, containing information primarily on policy developments, crop conditions and production and markets intelligence. While reports are received from all posts abroad the majority emanate from the agricultural specialist officers of the Trade Commissioner Service located in the major agricultural exporting and importing countries. The information received is collated and distributed to the Canada Department of Agriculture, the Department of Fisheries, the Canadian Wheat Board and other interested government departments, and agencies and to the trade. Special reports are prepared for a number of trade associations. A similar service is operated in the fisheries sector.

Officers of the Branch took part in preparations and negotiations relating to proposed international commodity arrangements for coffee and cocoa, as well as the work of the International Sugar Council. The Director is Vice-Chairman of the International Wheat Council and assists the Assistant Deputy Minister (Trade Policy) in activities related to international consultations in cereals policies.

The Branch provides representation on interdepartmental committees in connection with activities of F.A.O. and O.E.C.D. Committee for agriculture, as well as the Chairman for the Canadian Fur Council and the Inter-departmental Committee on Fur Promotion.

Co-operation with agricultural and trade organizations is an important sphere of action. Officers attend meetings of the major organizations and are frequently called upon to present papers or reports. A number of these associations have export committees which work closely with the Branch.

## Fisheries Division

The Fisheries Division, in co-operation with the Trade Commissioner Service, provides the Canadian fishing industry and the federal and provincial government fisheries officials with a world-wide market intelligence on all fish producing and consuming countries. Commodity Officers visit the industry from coast-to-coast in order to discuss export prospects and to learn at first hand market problems facing the individual exporters.

The number of trade enquiries received from Canadian suppliers and foreign importers increased markedly during the year. Special assistance was given to the canned sardine packers in disposing of their record pack in both traditional and new markets. A major reduction in air freight rates led to increased sales of live lobsters in Europe. The Division undertook surveys to assess markets in Europe for Canadian exports of frozen fish. A similar study was conducted for salt fish exporters in Africa and Asia. In addition, the Division undertook a study of the frozen and salted fish segments of the Atlantic ground fish industry for the information of trade and government officials concerned with fisheries.



As part of a program to provide information on trade prospects, marketing and production trends, to assist federal and provincial fisheries officials and the industry in formulating plans, an officer of the Division completed a study of markets in the Caribbean area. Similar studies have been planned covering Europe and Latin America.

## Plant Products Division

Efforts by the Division to expand export markets were intensified in 1963, especially for products of the primary agricultural industry. Intensive surveys of traditional and potential export outlets for such products as tobacco, apples and potatoes were carried out during the year, and these were complemented by outgoing and incoming trade missions. A detailed export market study was made also on the market for forage crop seeds in Western Europe and Japan.

A Tobacco Selling Mission to Eastern and Western Europe and the Middle East was organized by the Division and resulted in substantial sales of Canadian flue-cured tobacco to both Eastern Europe and the Middle East. An incoming tobacco trade mission from Japan also organized by the Division resulted in first sales to this country as well. It was hoped that further sales to these areas would result in their becoming continuing markets for Canadian tobacco. Incoming Seed Potato Missions from Argentina and Jamaica toured the production areas in New Brunswick and Prince Edward Island. The members were made aware of the research and quality controls employed in the Canadian potato industry. Subsequent shipments of seed potatoes to Argentina and Jamaica demonstrated the value of such missions.

The Division, in co-operation with the Canada Department of Agriculture, during 1963 arranged itineraries for several visitors to Canada, who were interested in the purchase of Canadian products, or testing of Canadian seeds, with promising results.

A meeting of vegetable shippers and transportation agencies, with federal officials, was arranged to study all means of expediting overseas shipment of perishable produce. The Division continued its liaison with industry, marketing agencies and provincial governments in developing export trade and establishing promotional programs.

The number of food processors interested in exploring export markets increased during the year. Many of these processors established business connections abroad for the first time. The growing awareness of Canada as a source for supply of both traditional lines of canned foods, and the many convenience-type foods such as frozen, dehydrated and instant forms, led to a substantial increase in the volume of trade enquiries handled by the Division. The volume of exports of food products in 1963 reflected the increased interest, as illustrated by a further large increase in shipments of fruit and vegetable products, in particular, to Britain. It included a major

expansion in sales of frozen potato products to Britain and the first important sales of instant potatoes to Europe.

## **Livestock and Animal Products Division**

During the year, export possibilities for livestock products, poultry products and dairy products were the subject of special efforts to interest firms in developing and expanding markets for their products. Products from these industries were displayed at trade fairs, on the United States West Coast, the Philadelphia area, the United Kingdom and Germany. In addition, the Trade Commissioner in the New England area carried out an active program of "in-store" promotion of Canadian foodstuffs with leading chain stores. As a result of trade fair activity, the West German Government opened a quota for Canadian cheddar cheese in that market.

A Poultry Trade Mission to the United Kingdom and Western Europe, organized by the Division, was successful in making sales in these markets. Of particular note was the interest of buyers in the United Kingdom for cooked poultry meat from Canada.

The Division organized incoming livestock missions from Mexico, South Africa and Italy during 1963. The purpose of these missions was to demonstrate the quality of purebred livestock available in Canada. As a result of these missions, some sales were made. The purchase of three Holstein-Friesian cows by the South African Mission was encouraging, as it represents a first step in overcoming the prejudice which South African breeders have against North American type Holstein-Friesians, and could result in that market being opened up to Canadian exporters.

In order to overcome the problem of maintaining a continuous supply of product for export at competitive prices, Ontario poultry processors, through the Ontario Poultry Council and the Ontario Poultry Processors Association, were given encouragement and assistance in implementing the concept of "grouping for export". As a result, a new company, Canadian Quality Poultry Exports Ltd., was granted a Federal charter. Participation in this company is open to poultry processing firms across Canada. It will act as an export agent for participating members and will sell poultry for export under a common label. Officers of the company participated in the poultry mission to the United Kingdom and Western Europe.

## **Commodities Branch**

The principal responsibilities of the Commodities Branch are concerned with the trade promotion programs of the department. This Branch familiarizes itself with production and supply conditions in Canada, and by studying reports from Trade Commissioners and other sources abroad informs Canadian industry of the export possibilities in world markets.

The Branch is organized into six divisions to cover Appliances and Commercial Machinery, Textiles and Consumer Goods, Forest Products,

Chemicals, Metals and Minerals and Engineering and Equipment. These divisions are staffed by Commodity Officers who are specialists in such fields as engineering services and plant equipment, electrical and electronic equipment, transportation and agricultural equipment, ferrous and non-ferrous metals, lumber, pulp and paper, chemicals and petroleum products, rubber and plastics, as well as in a wide range of commercial and consumer products.

Commodity Officers visit manufacturing plants and production facilities, attend and address meetings of business associations and study groups, and prepare product reports and market surveys. They analyse data, provide information on trade opportunities, and advise on the export potential of products in markets abroad. In co-operation with the Canadian Government Exhibition Commission, officers assisted in arranging for the display of Canadian products in 23 trade fairs throughout the world during 1963. They also organized and accompanied eight trade missions. They served as delegates to 23 international commodity meetings and conferences studying demand and supply conditions and commodity problems in international markets.

An important phase in the work of the Commodity Officer in implementing the trade promotional programmes of the Department is to provide encouragement and assistance to firms not previously experienced in international trade. Considerable success has been achieved during the year in introducing new firms to new markets and to the techniques of export trade.

### Appliances and Commercial Machinery Division

Difficulties have been experienced in coping with the sharp increase in enquiries and demands for assistance from industry in the field of responsibility of this Division. Activities, therefore, were conducted on a priority basis with many desirable projects postponed. Nevertheless, a variety of special assignments were initiated during the year.

High on the list of priorities was the National Canadian Samples Show in Toronto, which is described on p. 12 of this report. This Division co-ordinated the Show on behalf of the Commodities Branch and supplied much of the manpower for its organization and staffing.

Two Trade Missions were organized by the Division and in each instance, a commodity officer acted as Secretary to the mission. The Canadian Commercial and Institutional Equipment Mission visited Britain and countries of Western Europe while the Canadian Appliances and Housewares Mission was sent to the Caribbean area. The Division was responsible for co-ordinating duties and arranging for more than a hundred Canadian firms to participate in the highly successful Canadian Trade Fair in Philadelphia during November. Officers also co-ordinated and manned the Department's exhibit in the International Household Goods and Hardware Fair in Cologne, West Germany, and the International Hotel Exposition in New York City. In support of the co-ordinating activities conducted by other Divisions of the Branch, arrangements were made for more than one hundred firms to participate in four other Canadian trade exhibits abroad.



Work was continued on projects to help subsidiaries of foreign corporations in obtaining greater export autonomy. For this purpose fourteen extensive case studies and market surveys were completed during the year; requests from industry for this assistance continue to increase. Over 65 per cent of the firms comprising the industries with which this Division is concerned are foreign subsidiaries which are responsible for at least 75 per cent of the exports in the field of appliances.

The Division prepared special studies on the availability and logistics of supply of foreign products for the Emergency Measures Organization. A preliminary assessment was also undertaken on the possible consequences in this commodity area of any general revision of international tariff structures. Officers of the Division also assisted in the production and editing of trade promotional films dealing with "home heating" and "white goods". These films are for distribution to the Department's trade offices abroad.

Officers of the Division frequently served as speakers or panel members at trade association conventions, regional conferences, and in trade seminars for educational and information purposes.

### Chemicals Division

The regular trade promotional work of the Chemicals Division was supplemented in various ways during the year, despite a severe shortage of staff. An officer of the Division acted as Secretary to the Industrial Chemicals Trade Mission to Latin America and another co-ordinated the Department's participation in the Sydney Trade Fair and assisted in manning the exhibit in Australia. The Division also recruited exhibitors for other trade fairs in which the Department participated.

Officers attended the annual conference of the Chemical Institute of Canada and the annual meeting of the Canadian Manufacturers of Chemical Specialties Association. A speech was given to the Montreal Paint Club and an article giving a review and forecast for chemical exports was prepared for a chemical trade magazine. An officer also participated in a Trade Development Conference, conducted by the Edmonton Chamber of Commerce.

Studies were conducted for the Emergency Measures Organization on the marketing patterns that existed for certain types of chemical products and the Division assisted in the preparation of special commodity films on human and veterinary biological products for export promotion. Market studies were undertaken to explore possibilities for chemical specialty products and active participation continued in the Technical Committee on Dangerous Goods and the Interdepartmental Committee on Energy Statistics.

A comprehensive report was prepared for the OECD on the Canadian chemical industry. There was no meeting of the International Rubber Study Group in 1963 but the Division prepared briefing material for the Canadian delegate to the two meetings of the Management Committee of this organization.



Numerous visitors from abroad were received and advised on sources for various chemicals and initial work commenced on a revised edition of "Canadian Chemicals for Export", a directory of domestically manufactured chemicals that are offered for export markets.

## Engineering and Equipment Division

During the early part of 1963 the export promotion program of the Division was devoted almost entirely to co-ordinating the World Markets-Machinery project, described on p. 12 of this report.

This program provided an opportunity for foreign engineers and purchasers to inspect Canada's manufacturing facilities and to evaluate Canada's capability to provide capital and industrial plant equipment. As a result, a sharp increase in enquiries has been noted and more serious consideration is being given to Canadian tenders. Already there have been a considerable number of equipment orders placed in Canada which are credited to the World Markets-Machinery program by the manufacturers concerned.

The Division was also closely involved in the Department's trade fair and trade mission program. An officer acted as secretary to the Electronics Trade Mission to the Middle East and another to the Automotive Parts Mission to Europe.

Officers also co-ordinated and manned the Canadian exhibits in the International Engineering Show in London, England, the Exposition of Chemical Industries in New York, the Paris Air Show, the Instruments Society of America Show in Chicago and the Design Engineering Show in New York. Many direct sales can be attributed to both the trade mission and trade fair program.

In association with Canadian firms, the Division participated in four International Conferences during 1963: The I.T.U. Conference in Bogota, Colombia; the Conference on African Power Problems in Addis Ababa, Ethiopia; the meeting to discuss World Navigation and Airport Landing Systems in London, and the Governing Council Meeting of the U.N. Special Fund in New York.

Both Conferences were regionally oriented and provided an opportunity to obtain a clearer understanding of the problems involved and how Canada's trade promotion activities could be better directed to assist Canadian engineering firms and manufacturers to participate in future planned developments. Participation in the latter two meetings was to maintain contact with developments throughout the world in the specific fields.

As a result of the experience gained through these activities, considerable time and effort has been expended by officers of the Division in studying and evaluating the need for and the possibility of forming consortia of Canadian firms in order to offer "packaged" deals. One such group, in the fish process plant field, has been formed officially. A major market survey is presently being carried out with a view to the formation of a second group in the electronics field. Grouping of engineering and manufacturing firms

have also been promoted on an ad hoc basis to tender on overall requirements for projects outside the capabilities of any one Canadian firm.

A number of special reports were prepared on industrial sectors for use by this Department and others. Two reports were prepared for the Emergency Measures Organization, one on the metal working machine industry and one on the electronic tube industry both including the warehousing, distribution and marketing facilities.

A meeting, co-ordinated by officers of the Division, was arranged with a group of Canadian consulting engineers. The financial and promotional services available through Canadian Government departments and agencies were outlined to the group. This was followed by a general discussion of the adequacy of these services and the facilities which are available from other countries.

As a result of the discussions, arrangements are being made for three small missions to explore the engineering potential in different areas of the world and report to the Department. The report will be studied with a view to developing a means of assuring greater Canadian participation in planned developments of the newly developing countries.

A study of available equipment for the forest industries was completed and copies distributed for the information of the Trade Commissioners in all posts throughout the world. This comprehensive study describes the equipment used, what it does and the Canadian companies which can manufacture the various components. Surveys are now under way to assess Canada's manufacturing capabilities in the packaging and the mineral and metal processing industries.

A number of industry tours were arranged for individuals and groups from foreign countries and an officer of the Division accompanied each group while on tour in Canada. Included were a group of nuclear experts from Egypt, the Minister of Commerce and Industry and party from Nigeria, a Member of Parliament from India, a group from Ministry of Transport in Britain and a group of trade representatives of foreign countries stationed in Ottawa.

During the year, officers of the Division co-ordinated arrangements between manufacturers and the National Film Board in the preparation of promotional films for three special items of equipment. When the films were completed, background information was prepared for the information of the Trade Commissioners who will be showing the films to foreign groups.

The Division also expanded its contacts with Industry Associations, working towards closer liaison and co-operation in export promotion. There was also increased participation with manufacturing firms in special events including ceremonies at initial delivery of equipment on large orders, inauguration of new plants, demonstration of new equipment and deliveries of special products. In addition, a sharp increase was noted in the requests for assistance from engineering and equipment firms particularly from many small and medium-sized companies.

As a result of the assistance and guidance extended by the Division the number of both consulting and contracting firms interested in foreign work has increased and they are concentrating more time and effort on their activities abroad. Participation in United Nations Special Fund projects has increased substantially and Canadian engineers are receiving due recognition by the World Bank and other U.N. agencies by being included in groups sponsored by these agencies to investigate conditions in developing countries. Also, a number have been given individual assignments to evaluate and report on specific engineering projects throughout the world.

### Forest Products Division

Among the many activities of the Forest Products Division, the incoming Timber Housing Mission from Britain, was of major significance. Comprising sixteen representatives from central and local governments and professional associations in Britain, the Mission travelled across Canada to study at first hand Canadian methods of construction, particularly timber framing techniques. By including visits to mills producing timber and plywood products, members were provided with a visual demonstration of the capacity of the Canadian industry to meet any prospective increase in demand from the British market. As a result of one of the recommendations of this Mission, the Division is now engaged in steps towards the construction of three pairs of demonstration houses in Britain which will be completed in 1964.

Exhibits displaying Canadian lumber and building materials formed a part of fifteen trade fairs and lumber conventions throughout the United States, as well as in Britain and Continental Europe. A forest products specialist was in attendance at each of these shows. In addition, an officer of the Division acted as co-ordinator at the International Packaging Exhibition in London, England.

Officers from the Division served as secretaries to the Timber Housing Mission from Britain and to the Canadian Wooden Furniture Components Mission to the United States. The Chief of the Division acted as Departmental Representative on a British Columbia Housing Mission which spent three weeks visiting Britain. Arrangements were made for a Swedish timber group to tour Canada to meet comparable businessmen in this country. As a result of contact and follow through, a number of furniture manufacturers displayed their goods at the National Canadian Samples Show in Toronto, as well as at the recent Canadian Trade Fair in Philadelphia. Finally, the Division organized a number of private showings in New York City for Canadian furniture manufacturers.

Technical data was collected and text material prepared for seven brochures which were distributed both in Canada and at forest products trade fairs and exhibitions abroad. Also, in conjunction with the National Film Board and industry, the Division took part in the production of three trade promotion films for distribution to Canadian trade offices abroad. These



highlighted Canadian prefabricated houses, the Canadian furniture industry and the use of Canadian wood in house building.

International conferences, such as the Special Committee for Pulp and Paper and the Timber Committee of OECD and the Conference of European Coniferous Lumber Industries involved much preparatory work by Commodity Officers. As a result of initiatives undertaken in conjunction with three Eastern Canadian lumber associations, a new export marketing organization was established for the purpose of selling Eastern Canadian lumber to Continental Europe.

Numerous market studies and special projects were carried out during the year, including an assessment of the market potential resulting from any revision in international tariff structures. Special studies were also done for the Emergency Measures Organization and other branches of government. The Division was the focal point for preparations for the Canada-U.S. lumber talks which took place during last year. Once again the annual surveys of World Newsprint and Woodpulp Markets were carried out in co-operation with the Newsprint Association of Canada, The Canadian Pulp and Paper Association and the Trade Commissioner Service.

Three Commodity Officers of the Division are currently serving abroad as Timber Specialists. Two are located in London and one in Chicago. These officers work in close collaboration with the major trade associations in their respective countries and endeavour to assist, whenever possible, firms wishing to sell in these, Canada's two largest export markets.

## **Metals and Minerals Division**

The Division became increasingly involved during 1963 in the activities of international organizations and study groups concerned with conditions affecting various segments of the metals and minerals industry. Officers of the Division, together with industry advisers formed the Canadian delegations to a number of conferences. The seventh session of the International Lead and Zinc Study Group, held in Geneva during November, marked the completion of the head of the Canadian delegation's term as Chairman of the Study Group. Four meetings of the International Tin Council were held in London, to discuss developments affecting the international tin markets. Two sessions of the Special Committee for Non-Ferrous Metals and three sessions of the Special Committee for Iron and Steel were held by the Organization for Economic Co-Operation and Development in Paris, France. These sessions were largely devoted to the harmonization of statistics between member countries and in developing statistical appraisals of conditions in these industries.

The depressed conditions existing in the world tungsten ore market led to the convening of an Exploratory Meeting on Tungsten by the United Nations Interim Co-ordinating Committee on International Commodity Arrangements in New York during January. Subsequently, the first and second



sessions of the Ad Hoc Committee on Tungsten were held in June in New York and in October in Geneva, respectively.

As a service to industry, the Division maintains a continuing review of developments affecting the commercial interests and export markets in metal and mineral fields. Areas of particular concern included non-tariff barriers to trade in lead and zinc and the threat of disposal of non-commercial stock-piles of metals and minerals in the commercial market. A number of export market surveys were initiated on behalf of various companies in the steel and industrial minerals sectors.

In order to keep abreast of various technical developments and as a part of normal industry liaison activities, officers of the Division attended meetings of the Canadian Chapter of the American Society for Metals, the Canadian Nuclear Association, the Canadian Conference of Metallurgists, the Canadian Secondary Materials Association, the Canadian Exporters' Association, the Canadian Institute of Mining and Metallurgy, the A.S.M.-A.I.M.E. Technical Conference, the annual convention of the American Mining Congress and the World Magnesium Congress.

The Division co-ordinated the formation of the Canadian Steel and Steel Products Mission to Venezuela, Chile, Argentina and Uruguay. An officer of the Division was secretary of the mission and accompanied it to South America. An officer co-ordinated and manned the Canadian exhibit at the American Society for Metals, Metals/Materials Show, which was held in Cleveland, Ohio from October 21 to 25. The special steel exhibit, assembled in cooperation with the Canadian steel industry, was also displayed at this show, and at the Sydney Trade Fair held in Australia from July 26 to August 10.

During the year, the Division undertook a preliminary assessment of the possible consequences of a general revision of international tariff structures, in order to determine the principal sectors of the Canadian metal and mineral industries which might be affected by such changes. Detailed studies were also carried out on behalf of the Emergency Supply Planning Branch of the Department of Defence Production, on the availability, and logistics of supply of various mineral commodities of strategic importance.

### **Textiles and Consumer Goods Division**

During the year, the Division co-ordinated Canadian participation in the International Boat Show in London, The Dallas International Trade Fair, the National Sporting Goods Association Show in Chicago, the Marine Trades Exhibition and Conference, Chicago and the International Leather Fair in London. Officers from this Division were in attendance at the first four shows. In addition, the Division recruited exhibitors for the Sydney Trade Fair in Australia and the Canadian Trade Fair in Philadelphia. A commodity officer from the Division was in attendance at the latter.

The Division also took an active part in recruiting exhibitors in the Montreal and Toronto areas for the National Canadian Samples Show. In

addition, five officers assisted in providing technical manning while the show was in progress. Another officer from the Division conducted one of the groups attending World Markets-Machinery in its tour of Canadian industry.

A group of Belgian buyers visiting Montreal to obtain garments and clothing for a showing of Canadian products in Belgium was introduced to prospective suppliers by officers from the Division. As a result, visits were arranged to over a hundred Canadian firms. In conjunction with the C.M.A. in Toronto and the Board of Trade in Montreal an Australian toy buyer was introduced to suppliers in both these cities. The Division co-operated with the National Film Board in the production and editing of trade promotional films, including a market commentary, on Canadian Textiles and Canadian Leather.

There was an increase in the number of visits paid to industry during the year, particularly to newcomers to the export field. At the same time contact was maintained with the various associations of interest to the Division and commodity officers attended the following conventions: The Canadian Primary Textiles Institute, The Jewellers Association, The Institute of Clothing Designers and The Canadian Brush, Broom and Mop Association. Members of the Division represented the Department at the opening of the new offices of the Wool Bureau of Canada and the special press publicity gathering on the occasion of the first shipment of Canadian fabrics to Europe by chartered aircraft.

The Division was involved in assessing the possible impact on consumer goods industries of any general revision of international tariff structures. At the request of the Emergency Supply Planning Branch of the Department of Defence Production an assessment was made of supply sources and availability of commodities coming under the jurisdiction of the Division.

The Chief of the Division was Canadian delegate to the Twenty-Second Plenary Meeting of the International Cotton Advisory Committee which was held in Bangalore, India. The Division continued to maintain liaison with the associations and trade concerned covering the Special Committee for Textiles and Hides and Skins of the O.E.C.D. In conjunction with the trade, statistical information for these organizations was provided as required.

### **Trade Services Branch**

The Trade Services Branch performs a number of service functions in relation to trade, specifically in the area of freight traffic and transportation, the administration of the Export and Import Permits Act, the preparation of comprehensive trade directories for official use, the provision of general guidance to new entrants into export trade, and the administration of the Department's four regional offices in Canada.

## Allied Services Division

The Division is responsible for providing administrative services to the regional offices of the Department in Canada, and for developing and furthering policies to enhance Federal-Provincial trade relations.

Regional offices in St. John's, Halifax, Winnipeg and Vancouver provide liaison between the Department, the various provincial government trade departments, and industry in each of the areas served. Through telex communication with Ottawa, the offices have prompt access to foreign market and credit information, details on export financing assistance, news of export opportunities, and other commercial intelligence. During 1963 the offices dealt with over 3,000 trade inquiries. The regional officers participate actively in regional trade conferences and missions, and extend assistance to trade delegations visiting Canada.

A function of the Division is to compile and disseminate commercial intelligence to trade commissioners abroad. In performing this function the Division has devised a new system of keeping trade commissioners advised of commodities and services available from Canadian firms listed in the Department's Exporters' Directory. Special studies of companies' operations affecting their ability to export from Canada were undertaken during the year.

The Division is concerned with the enforcement provisions of the Export and Import Permits Act, working in conjunction with the Department of National Revenue (Customs and Excise) and the Department of Justice in enforcement cases.

## Trade Controls Division

The Division is responsible for administering the controls established under the Export and Import Permits Act. Allied to this responsibility is close consultation with corresponding control agencies of NATO countries and Japan in co-ordinating control measures relative to the export of strategic goods. In matters of special interest to Canada and the United States, the Division participates in periodic discussions with United States export control authorities.

More than 8800 export permit applications were received during the year under review. In this period over 400 import certificates and 60 import permits were issued. There were two revisions of the Import Control List, promulgated in Part II of the *Canada Gazette* of August 21, 1963 and of December 25, 1963, respectively. A revised General Export Permit No. Ex. 2 was promulgated in Part II of the *Canada Gazette* of September 11, 1963.

## Transportation Division

The Division is concerned with industrial transportation in relation to the promotion of export trade. The predominant concern is with the "user" interest in transportation.

During the year, the Division conducted a continuing examination of trends and developments in transportation services and in freight rates by



rail, road, water and air. Special attention was directed to changes in ocean freight rates and shipping services and their implications to current and potential export trade opportunities. In cases where ocean freight rates appeared to be unduly onerous, representations were made to individual shipping lines or to shipping conferences, seeking adjustments in the rate levels. Numerous inquiries were received from industry, particularly from smaller firms new to export trading, concerning the most suitable and economical means of transport. Information was provided to departmental officers conducting studies of new export opportunities and organizing trade missions, and to certain provincial government officials engaged in export promotional activities. Special rail rates were again negotiated with the railways to enable Canadian steel products to move through ports of the Atlantic provinces during the winter season when navigation on the Great Lakes and St. Lawrence River is closed. A close liaison was established with the two main Canadian airlines with a view to exploring ways and means of expanding exports by exploiting use of air freight.

The Division participated with an interdepartmental advisory group in the preparation of briefing material and papers for Canada's representatives on the Maritime Transport Committee of O.E.C.D. Active participation was continued in the work of a number of other committees, such as the St. Lawrence Seaway Joint Tolls Advisory Board, the Canadian Port Committee, Canadian Standards Association's Committee on Standard Freight Containers, and two technical committees concerned with the study of shipping dangerous goods and ore concentrates. An official of the Division was a member of the interdepartmental group that conducted a study and reported to Cabinet on the Haines Road-Alaska Ferry System.

A quarterly analysis of ocean charter rates on selected commodities is compiled and published in *Foreign Trade*. Lists of Canadian chartering agents and brokers and Canadian international freight forwarding firms, and a directory of cargo liner shipping services are maintained on a current basis and supplied to exporters on request.

## EXTERNAL TRADE PROMOTION SERVICE

While almost every branch of the Department is concerned with foreign trade to some degree, the five branches that make up the External Trade Promotion Service are exclusively engaged in ways and means of promoting trade and travel. They offer a wide range of services to the Canadian business community and to the foreign importer or tourist interested in Canada as a source of supply or a place to visit. Their activities are described and many of their services detailed in the following sections.

### Canadian Government Exhibition Commission

The Commission is responsible for the creation and administration of all Canadian Government exhibits outside of Canada. In the case of trade



exhibits, its program stems from the Department's Committee on Trade Fairs Abroad. Educational or informational exhibits are produced in direct liaison with other sponsoring departments.

With the approval of the Deputy Minister, the Commission also produces exhibits for use in Canada on behalf of various government departments and agencies at their expense.

A review in chronological order of the major projects for the Department of Trade and Commerce and for other government departments appears in Appendix "C".

### Staff and Offices

Major staff changes occurred during the year. Glen Bannerman, who was appointed Director in 1946 retired and Patrick Reid was promoted from Assistant Director to fill the Directorship. T. C. Wood, Chief of the Design Division, was seconded to serve as Creative Director of the Canadian Government's participation in the Canadian Universal and International Exhibition, Montreal, 1967. Long service officers R. L. Greene (36 years), R. G. Brown (43½ years) and W. F. Tomney (41 years) retired.

An additional 13,000 square feet of space was turned over to the Commission at 2487 Kaladar Avenue to facilitate the warehousing of exhibit material from other departments and to permit expansion of workshop activities at peak periods. This brings total space occupied to approximately 79,000 square feet.

### Production

The Commission undertook 175 projects in 1963. Of these, 41 trade or information exhibits were shown in Australia, Belgium, Britain, France, Germany, Greece, Japan, Poland, Portugal, Spain, Switzerland, Trinidad and the United States. In addition, the travelling exhibit sent to South America in 1962 was shown successively at major centres in Argentina, Uruguay, Chile, Peru, Bolivia and Ecuador. In Britain, the permanent Canadian Court in the Commonwealth Institute was maintained and viewed by an estimated 612,056. Five semi-permanent timber exhibits were maintained in Bristol, Dublin, Glasgow, London, and Manchester.

In all, the Commission rendered service to the following departments and agencies: Atomic Energy of Canada Ltd., Canadian Patents & Development Ltd., Canadian Government Travel Bureau, Centennial Commission, Central Mortgage & Housing Corp., Citizenship & Immigration, Dominion Bureau of Statistics, External Aid Office, Fisheries, Forestry, Industry, Labour, Mines & Technical Surveys, National Capital Commission, National Defence, National Design Branch, National Museum, National Research Council, Northern Affairs & National Resources, Post Office, Transport, Unemployment Insurance Commission.

### Special Events

*Canadian Trade Fair, Philadelphia*—A wholly Canadian trade fair was staged in the Sheraton Hotel, November 11-16. Some 27,000 square feet in

the exhibit hall and adjacent rooms were used to house the exhibits of 103 companies, a large informational and tourist display and a cinema. Attractions included a naval visit, R.C.A.F. band, demonstrations in handling and cooking Canadian foods, and figure skating by North American champions Paulette Doan and Kenneth Ormsby, also Linda Carbonetto. The fair attracted a large attendance and is considered to have achieved its object of making Canadian production and ability to supply known to the large U.S. market centred by Philadelphia. A number of companies secured substantial orders on the spot. As a windup to the fair, a 62' 3" balsam fir was presented to the City to provide the largest Christmas tree ever to adorn Philadelphia's city hall.

*Sydney Trade Fair*—Another major project was the Canadian exhibit in the Sydney Trade Fair, Australia, July 26-August 10. The exhibit comprised a representative cross-section of the products and services of 55 Canadian companies set against a background of industrial maps, models and graphics indicative of Canada's stature as a highly developed nation.

*Alouette*—A number of models of Canada's first satellite were constructed during the year and shown prominently in many of our displays around the world.

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The Commission was responsible for planning and preliminary designing for the Canadian Pavilion in the Canadian Universal and International Exhibition, Montreal, 1967, during most of the year. With the appointment in December of Mr. H. Leslie Brown as Commissioner General, Canadian Government Participation, this responsibility was officially removed from the Exhibition Commission. The Commissioner General's staff continued to occupy space in the Commission's premises at year's end but plans for them to move to new quarters were nearing completion.

### **London Branch**

Work in this Branch continued to increase and in addition to its normal workload, it became responsible for important displays, being held early in 1964, in conjunction with a Canadian Domestic Lamp and Fixture Trade Mission visiting London, Liverpool and Glasgow and a Canadian Toy Fair at Macdonald House. Installation of Canadian Government Travel Bureau window displays in London also became its responsibility. At year's end plans were in hand to renovate the warehouse and render it more productive.

### **Canadian Government Travel Bureau**

The Canadian Government Travel Bureau was established in July, 1934, upon the recommendation of the Senate Committee on Tourism. The duties, powers and functions of the Minister extend to and include all matters over which the Parliament of Canada has jurisdiction, not by law assigned to any other department, branch or agency of the Government of Canada relating to tourist information and services.

The policy of the Bureau is (a) to encourage tourist travel to Canada from other countries; (b) to provide a means of co-ordinating tourist promotion by the provinces, transportation companies, national, regional and local tourist associations and the Federal Government. Each year, the Travel Bureau calls the Federal-Provincial Tourist Conference to co-ordinate these activities.

## Organization

The Canadian Government Travel Bureau was transferred to the Department of Trade and Commerce late in 1962. During 1963, closer cooperation was effected with the Trade Commissioner Service and the Canadian Government Exhibition Commission, and arrangements made to support and extend the Bureau's travel promotion program. Of particular importance was the formation, through the Trade Fairs and Missions Branch, of Canada's first Travel Trade Mission, to be composed of sixteen leaders in the travel industry, which will visit Britain, France and Germany early in 1964.

To extend the Bureau's operations in the United States, a travel representative was appointed to Los Angeles. The Bureau's first European General Manager arrived overseas in September and began implementing a promotion program for France and Germany, for which two travel officers were selected, to be resident in Paris and Dusseldorf respectively. The Bureau's London Office, in its first year of operations, handled 45,000 travel enquiries.

In preparation for a banner year in 1967, with a travel income target of one billion dollars, the Bureau received approval in principle for a three-year development program to double its efforts by 1966, increasing its activities by one third in the fiscal year 1964-65. Effective liaison has been established with both the Centennial Commission and the Canadian Universal and International Exhibition, 1967.

In Ottawa, the 95 full-time employees of the Bureau, with increasing assistance from automation, can service a million travel enquiries a year with travel literature. The Bureau also has four offices, with 22 employees, located in London, New York, Chicago and San Francisco, which handled more than 145,000 travel enquiries in 1963 and kept in close touch with travel agents and travel writers. Canadian diplomatic, trade and immigration officers, and representatives of carriers abroad also helped prospective visitors to Canada.

The Bureau spent \$1.9 million on travel advertising in 1963, for the most part in hundreds of United States magazines and newspapers and through a score of radio stations. Through the annual Federal-Provincial Tourist Conference convened each year in Ottawa, the Bureau helps to co-ordinate the external travel promotion programs of the provincial governments, the carriers and other agencies.



## Value of the Industry

For several years Canada's travel industry has ranked next to newsprint and wheat as a source of export income. Preliminary estimates indicate that a new record of \$600 million or more was set in 1963—as much as 10 per cent more than in 1962. United States visitors entered Canada an estimated 32 million times in 1963—also a new record—giving Canada the first overall credit balance in its travel account since 1950. There are indications that travel from overseas is also increasing, in part because of the Bureau's increasing efforts in advertising, public relations and promotion in Britain and Europe.

During the year, the Bureau continued its research along two main lines: a motivation survey gathered further data on the characteristics of United States visitors to Canada and, at the same time, a comparative analysis of United States media assessed their individual usefulness in travel promotion. The motivation survey was mailed to 365,000 enquirers who had written the Bureau; more than 39,000 questionnaires were returned with valuable information, and asking that Canadian travel literature be sent to 60,000 of their friends. In December a British specialist in travel research visited the Bureau to study its research techniques.

## Operations

The number of travel enquiries handled through the Bureau's Ottawa headquarters and outside offices in 1963 reached a new record of more than 1,100,000. Canadian diplomatic missions, consulates and the Trade Commissioner Service abroad also provided notable assistance to travel enquirers. The provision of individually-typed replies for a higher percentage of enquiries received in Ottawa was made possible by the acquisition of several more automatic typewriters, actuated by punch-tapes containing several hundred prepared paragraphs that enable travel counsellors to select and provide accurate answers with a minimum of dictation. Continuous-form stationery was brought into use, greatly increasing the volume of personal replies to enquirers. A new telex communication centre proved invaluable, especially in improving communications with the Bureau's outside offices. Late in the year, a large inserting machine was acquired which provides for automatic collating and stuffing of up to eight pieces of literature into two to four thousand envelopes an hour. Nearly 8,700,000 pieces of literature were distributed in 1963, an increase of 36 per cent over 1962. One-tenth of this total was sent in quantity lots to requests resulting from increased use of revised mailing lists.

The Bureau manned travel booths at the National Canadian Samples Show and the American Automobile Association convention in Toronto in April, and at the large travel display in the Canadian Trade Fair in Philadelphia in November. The Canadian Government Exhibition Commission assumed responsibility during the year for designing and erecting displays for the Bureau's outside offices and for travel shows.



The Bureau's Reference Library was extensively reorganized during the year. A new filing system was introduced, and a new way of filing 2,000 maps. New reference material was obtained, and a 460-page loose-leaf volume "Canada Reference Book" was produced for use by the Bureau's travel counsellors.

### **Tours and Conventions Division**

A new Tours and Conventions Division started work in May, under interim direction of an experienced travel consultant, sponsoring tours of Canada by distinguished British travel writers and senior British travel agency officials. The co-operation of provincial and municipal government travel bureaus, local tourist associations, major carriers and hotels helped make these tours most successful, resulting in excellent publicity for Canada's travel attractions and making this country's facilities better known to British travel agencies. In September, the new head of the Division, who had had extensive service in the travel agency field, took over this operation. The co-operation of provincial bureaus, municipal convention offices and the hotel industry was sought to make an inventory of Canada's convention facilities. This Division will help co-ordinate the efforts of convention and tour officers and will act for them in promoting Canada as a site for international group tours and conventions.

### **Publications**

In 1963, the Bureau continued its program of expanding the range and up-grading the quality of its travel literature, providing 53 publications to service travel enquiries. More than 10,000,000 booklets, folders, posters and maps were printed. Six entirely new publications were produced, three for the overseas market and three for car drivers. Extensive revisions were made in the design and content of several existing publications. Special attention was directed to initiating a program for the Bureau's operations in Britain and Europe. A further 12 publications were developed for the British travel market and production was begun on a group of 12 pieces in French for distribution in France, and nine pieces in German for Germany.

### **Publicity**

Revision of publicity procedures was continued during the year to place more Canadian travel stories and pictures in United States newspapers, magazines, radio and television. On a considerably expanded scale, releases were sent out selectively to those media most likely to be interested, with emphasis on areas producing the most tourist traffic. There were 5,720 mailings of special articles—a six-fold increase over 1962—with more than 11,000 black and white photographs. Press clippings indicate that good use is being made of this material. General mailings of short items of Canadian travel interest to more than 400 media included 15 collections of "Travel Bits", and current-events travel articles. To announce new appointments and

special travel promotions, 18 news releases were distributed. There were many individual requests for articles and photographs.

Through three editorial placement services, 704 requests by publications for photo stories were filled, using 3,442 black and white photographs. A colour-page "mat" service for newspapers, offered for the first time, brought 33 requests. The first of a new series of Women's Page packages was sent to 180 United States newspapers in December. Travel publicity kits, with a general selection of photographs, publicity articles and publications, were made available to Trade Commissioners abroad. Similar kits were prepared for United States travel editors. Publicity material was supplied to the Bureau's public relations firm in Britain, which published a quarterly newsletter, "Canadian Holiday". Thirteen travel writers from the United States visited Canada on familiarization tours.

The photo libraries of Bureau offices, with several hundred black and white subjects and transparencies, were supplied with new material. Ten photographers undertook assignments for the Bureau during the year, providing coverage of Canadian cities, special events and vacation areas. In 1963, 27,428 black and white photographs were distributed, including 603 special selections for editors and travel writers. From the colour files, 167 selections, with 5,345 transparencies, were sent out. Cataloguing of material from 1962 assignments added a further 1,024 black and white negatives and 4,918 transparencies to the files, which now contain 14,524 transparencies and 8,188 black and white subjects.

Significant advances were made in the distribution of Canadian travel films in the United States. The National Film Board added a television section to its Chicago travel film library, and opened a new film library in San Francisco for both general and television distribution. At September 30, there were 10,146 prints in distribution, including 8,297 prints of 185 titles for direct screening and 849 prints of 91 titles for television, an increase of 12% over 1962. A small travel film library was also organized in London.

### Trade Commissioner Service

The Trade Commissioner Service, main overseas arm of the Department, continued to promote Canada's foreign trade interests around the world. At year-end the Department had 65 posts in 47 countries and more than 150 officers stationed abroad. Appendix "E" records the location of the overseas offices.

The major role of a Trade Commissioner is to bring foreign buyers in contact with Canadian sellers. To this end, potential markets for specific Canadian goods and services are carefully surveyed. Reports are prepared on the current supply and demand positions, providing information on prices, competitive conditions, import and exchange controls, tariffs and tariff preferences, customs regulations, labelling and marking regulations, shipping and packaging requirements, terms of payment and distribution channels. Trade Commissioners recommend suitable agency or buying connections;

provide credit information on foreign buyers and import agents; assist Canadian businessmen with plans for foreign sales trips by providing market data, travel information, arranging appointments, making introductions, and helping with language barriers. They also keep Canadian firms informed with respect to any developments which may affect the continued sale of their products in overseas markets.

Trade Commissioners supervise Canadian exhibits at trade fairs abroad and assist participating Canadian firms. They make detailed arrangements for the visits of Canadian trade missions to their territories. During 1963 the Trade Commissioner Service played an important part in the planning and execution of the Department's trade fair and trade mission programs.

In the promotion of exports from Canada, Trade Commissioners travel extensively in their territories. They visit the leading industrial and trade centres, develop close liaison with businessmen, government officials, trade associations and civic leaders, publicize Canadian products, investigate trade openings, facilitate the collection of trade information and generally help create opportunities for Canadian exporters.

During 1963 Trade Commissioners were instrumental in setting up 2,054 agencies or buying connections for Canadian goods. More than 25,000 enquiries from Canadian exporters were received and dealt with at the various posts abroad.

A measure of the effectiveness of the trade promotional activities is the fact that the total of new business influenced in various ways by all Trade Commissioners during 1963 was well over \$100 million.

### **New Post Opened**

During 1963 a new Trade Commissioner office was opened in Milan, Italy.

### **Personnel**

As of December 31 there were 182 officers at work in the Trade Commissioner Service, of whom 154 (including six seconded from other branches of the Department) were on duty in offices abroad. Twelve recruits taken on during the year were in training at Ottawa.

Canadian clerical and stenographic staff are posted to a number of offices abroad. At the end of 1963, 44 Foreign Service Employees were on strength at 23 offices overseas as well as at Ottawa.

The successful functioning of the Trade Commissioner Service would not be possible without the loyal assistance and support of personnel engaged locally at posts abroad. At year end, 364 local employees were on strength.

### **Trade Fairs and Missions Branch**

The Trade Fairs and Missions Branch is responsible for co-ordinating the Department's export promotion activities through its trade fairs and



trade missions programs. The Branch comprises two Divisions, the Trade Fairs Abroad Division and the Trade Missions Division.

### Trade Fairs Abroad Division

The Trade Fairs Abroad Division is responsible for developing the Department's annual trade fair programs and co-ordinating departmental participation in foreign trade fairs. It is also responsible for liaison with trade associations and various government agencies for the purpose of publicizing the program and encouraging participation by Canadian companies.

The Division annually obtains reports and recommendations from the Department's posts abroad on fairs and exhibitions in which export sales of Canadian products can effectively be promoted. Similar surveys are also made among the trade promotion branches of the Department at Ottawa, Canadian trade associations and other departments of Government. The resulting recommendations are compiled by the Division in a summary report in which is included descriptive information on all proposed fairs and to which is appended statistical information. The Department's trade fair program is developed from this summary report by the departmental Committee on Trade Fairs Abroad.

During 1963, the Division was responsible for co-ordinating departmental exhibits at 35 exhibitions in eight countries. Twenty-seven of these exhibits displayed Canadian products and the remaining eight were trade information booths. Exhibits ranged in size from six exhibitors to 103. This latter number exhibited at the solo Canadian Trade Fair held in Philadelphia from November 11 to November 16. This exhibition was completely organized by the Department under the co-ordination of the Trade Fairs Abroad Division and resulted in much deeper penetration of the important mid-Atlantic States market by Canadian firms.

On-site results, reported by the 396 Canadian companies displaying their products in departmental exhibits during 1963, continued to emphasize the effectiveness of trade fairs as a trade promotion medium. For example, 23 companies, displaying their products in a departmental exhibit at a United States trade fair, reported immediate sales of some \$1,088,000. Expected sales, still in the process of negotiation, total an additional \$500,000. One consistent Canadian exhibitor, after participating in the departmental exhibit at a 1963 British trade fair, advised that his sales had tripled in the previous four years, primarily as a result of his participation in the Department's trade fair program. As a result of its participation in Philadelphia one Canadian company has concluded negotiations, subject to confirmation of its production capacity, for a potential \$9,000,000 annual sales. These are but three of the many reports contained in the Division's files referring to successes achieved through participation in the Department's trade fair programme.

See Part I of Appendix "C" for a list of Departmental exhibits organized in 1963.



## Trade Missions Division

The Trade Missions Division is responsible for developing the Department's annual trade mission program both to and from foreign markets and for co-ordinating departmental activity in planning, organizing and carrying out approved trade missions.

The program of 19 missions in 1963, (listed in Appendix "F") reflected the diversity of the trade and industrial promotion interests of the Department. The 16 trade missions included nine outgoing to overseas markets and seven incoming to Canada, in all cases for specialized purposes. The three industrial promotion missions included an investigation of opportunities to manufacture American equipment under licence in Canada and technical studies of the European furniture manufacturing industry and American furniture marketing methods.

No composite or general trade missions were sponsored in 1963.

Each of the nine outgoing trade missions represented a particular industry or group of products and was concerned with sales opportunities in selected export markets. A total of 78 Canadian businessmen, together with Canadian labour representatives and Trade and Commerce Commodity Officers acting as mission secretaries, visited foreign markets. The Department defrayed transportation costs but, except for Department officials, each mission member covered his own accommodation, meals and incidental expenses.

Each mission produced a report shortly after its return, for the guidance of other Canadian companies interested in the same markets. The reports are published by the Department and copies are available to businessmen and others on request. Many mission members also discuss their findings through their own technical associations, export study clubs, and with other interested parties whenever possible so that as many Canadians as possible can share the information gathered by each mission.

Many direct sales have been attributed to these missions, for example, the Tobacco Mission to Europe and the Steel and Steel Products Mission to Latin America. A very significant benefit of the program is the interest that has been generated in Canada as a source of supply. Many individuals contacted in foreign countries expressed surprise at the extent and capabilities of Canada's manufacturing industry after conferring with visiting Canadian trade missions. Mission members, on their part, have often expressed their satisfaction at the range of business connections and contacts open to them, created in many cases by the thorough preparation of the Department.

Several missions this year were greatly enhanced by the presence of senior labour officials provided through the co-operation of the Canadian Labour Congress.

The missions program in 1963 reflected a new emphasis on incoming missions composed of foreign businessmen and officials invited to study Canadian products and techniques at first hand. Six of the seven incoming

missions were of specialists interested in Canadian agricultural attainments in purebred livestock, seed potatoes and flue-cured tobacco.

The Timber Housing Mission from Britain spent three weeks studying Canadian residential construction methods, materials, building codes and the lumber industry. This mission made a significant contribution to the continuing promotion of Canadian lumber, plywood and timber frame construction methods which the Department has been conducting in Britain. Timber framed housing in this market has been handicapped by limited experience and acceptance, local building codes and significant differentials in insurance rates and mortgage terms. The British mission recommended to its Government new measures to hasten broader use of timber frame construction. As a result, the Department will shortly begin construction of three pairs of semi-detached demonstration homes in southern England, the Midlands and Scotland, employing Canadian building techniques.

Missions and business tours to overseas markets organized privately by Canadian trade associations, boards of trade and provincial departments, were assisted and served by Department officials at Ottawa and the Trade Commissioner Service in the field.

### Trade Publicity Branch

The Trade Publicity Branch makes use of all communications media to develop public interest in Canada's export program and thereby further the Department's objectives, both at home and abroad.

Its dual function is to stimulate interest in Canadian products in foreign markets and to encourage Canadian manufacturers to look beyond domestic horizons and use the Department's many services to develop export business.

To accomplish this, the Branch employs advertising, public relations and publicity techniques in varying combinations. Its advertising program embraces newspapers, radio, television, magazines, trade publications and graphic arts presentations for direct mail. It produces periodical publications for regular distribution to selected audiences and booklets, brochures and other printed matter in direct support of trade fairs and trade missions. News releases, radio tape recordings and television film clips are employed to inform Canadians of foreign trade opportunities and successes and to alert foreign businessmen to the kinds of goods and services available from Canadian suppliers.

As the Department's export trade promotion program has grown, with participation in trade fairs and trade missions increasing rapidly year by year, so have its demands on Branch facilities and personnel. It was for this reason that, in 1963, the Department decided to appoint a professional publishing and public relations executive as Director of the Branch and to establish a new division to maintain close liaison with radio, TV and publication editors.

On April 1, 1963, Royd E. Beamish joined the Department as Director, Trade Publicity Branch and Kenn A. Prittie as Chief, Media Relations Division.

The Editorial and Art Services Division continued to write, design and produce all printed matter for the Department and the "Foreign Trade" Division was responsible for the publication of *Foreign Trade*, a fortnightly magazine, and *Commerce extérieur*, its monthly French-language counterpart. Both are circulated, by subscription, to Canadian businessmen interested in export trade.

### Editorial and Art Services Division

A staff of artists, writers, editors and production specialists in this division produced more than 100 major and 1,000 minor printing projects during the year, involving total press runs of almost 5 million pieces. The major projects were related to the 35 Canadian exhibits in trade fairs abroad which the Department sponsored and Operation World Markets (see p. 11), for which the division produced a wide variety of printed material.

The Department's two largest trade fair exhibits—at Sydney, Australia, and Philadelphia—accounted for the two largest projects undertaken by the division. Special newspaper supplements were produced for these two exhibitions, in co-operation with industry. In Sydney, a 20-page supplement was prepared in Canada and printed as part of the regular issue of the *Daily Telegraph* the day before the Sydney Trade Fair opened. For the Canadian Trade Fair in Philadelphia, two million copies of an 8-page supplement were prepared and printed in Canada and distributed with the *Sunday Bulletin*, and *Sunday Inquirer*. Philadelphia, too, marked the debut of "Ookpik", the Arctic Owl, who has become the Department's roving ambassador of friendship and good will.

In its search for new methods and materials to give Canadian product promotion additional impact, the division produced, for the International Packaging Exhibition in London, a booklet that broke new ground in printing techniques. The brochure, titled "Packaging from Canada", was the first Canadian publication to be printed entirely on polyethylene film.

The division also produced printed material in conjunction with the 19 incoming and outgoing trade missions sponsored by the Department.

### "Foreign Trade" Division

Despite an increase in the yearly subscription price for *Foreign Trade* from \$2 to \$5 a year in Canada and from \$5 to \$7 abroad, the fortnightly magazine retained a circulation of more than 4,000 during the year. (Student subscriptions were increased from \$1 to \$2 per year.)

As in the past, *Foreign Trade* served its readers with authoritative information on trade and economic conditions in all parts of the world, provided by Canadian Government Trade Commissioners, reporting from their posts abroad.



In the early months of 1963, *Foreign Trade* concentrated on presenting special issues and features that would be useful to businessmen attending the Second Export Trade Promotion Conference in Ottawa from April 16 to May 3. Extra copies of these issues were printed and distributed by the Trade Commissioners during their interviews at the Conference. The issues included extensive reviews of the market in Benelux, Britain and Italy, and a preconference number, containing useful directories and information on selling in the United States, and reviews of current conditions in various trading areas.

During the summer and fall, the magazine carried a series of articles on trade with the member countries of the Latin American Free Trade Association and the effect of their LAFTA membership on Canada's trade potential. Another number was devoted to engineering opportunities abroad through projects financed by international organizations, such as the World Bank. Case histories of Canadian firms which had obtained business in this way were included and the issue proved very popular.

### Media Relations Division

This division became operational during 1963, assuming responsibility for direct liaison with editors and news directors of all Canadian media. Its primary responsibility is the distribution of press releases, articles, photographs, trade mission reports and important speech texts to consumer and trade publications, radio and television stations, throughout Canada. It also provides publicity material to Trade Commissioners abroad for the development of news and feature articles about Canada in the 47 countries where they are stationed.

In June, the division began distribution of a series of motion picture films on trade and commodity subjects to posts abroad. These films were specifically produced for the Department by the National Film Board and are designed for use by Trade Commissioners in their sales promotion work abroad.

The initial series consisted of fifteen films with English sound tracks. Four were also produced in Spanish and one in German. During the year, prints were distributed to 36 Trade Commissioner posts.

### TRADE POLICY SERVICE

Activities in the trade policy field are directed toward improvement of existing terms of access to foreign markets where this would assist sales and the safeguarding of these export opportunities. This involves the Service in such matters as international trade negotiations, regional trading arrangements, surplus disposal operations, international financial matters, international commodity arrangements and economic aid programs. It involves preparing for and staffing international conferences and meetings. It also necessitates following closely changes in the rates of duty, import restrictions,



documentation requirements, anti-dumping measures and other government regulations in foreign markets. The Service publicizes developments of this kind affecting Canadian exports. In addition it supplies, on request, detailed information regarding terms of access for Canadian exports to markets in all parts of the world, and assists businessmen in dealing with special problems in this field. The Service also provides a central point of contact between Trade Commissioners abroad and the Department in Ottawa. Another of its functions, which has become increasingly important in recent years, is that of assisting in fulfilling the Department's role in the field of export financing and external aid.

### Office of Trade Relations and Trade Policy

In the past year, the demands upon the Trade Policy Service of the Department continued to increase. The expansion of Canadian exports and growing interest of Canadian producers in foreign trade have led to an increasing volume of enquiries and requests for assistance in regard to tariffs, government regulations and related matters. Important new initiatives in international trade relations regarding such questions as multilateral tariff negotiations, trade in agricultural products, commercial relations with state trading countries and the problems of the developing countries have also increased the work load of the Trade Policy Service.

In order to enable it to meet these demands more effectively the main operating arm of the Service, the International Trade Relations Branch, was re-organized into the Office of Trade Relations and Trade Policy on November 4, 1963. The Office now consists of the five area divisions previously in existence and four new divisions responsible for specific aspects of international economic relations such as participation in international organizations, economic aid and export financing and commodities problems and policies. The work of the Department in the field of trade relations and trade policy continues to be under the general supervision of the Assistant Deputy Minister (Trade Policy). The Head of the Office is closely associated with him in this function. Day to day operations of the Office are in the charge of two directors who are responsible for administering designated groups of divisions. The maximum degree of flexibility is being maintained to permit interchange of directors and personnel between the two sections and ensure effective co-ordination. The new organizational structure is shown on page 10.

The highlight of the year in the international trade relations field was the GATT Meeting of Trade Ministers in May which took important decisions regarding further reduction of barriers to trade, including improved access to markets for agricultural and primary products and expansion of the trade of developing countries. Coming a few months after the breaking off of the negotiations for British entry into the E.E.C. this meeting provided a new impetus for efforts to expand trade and deal with trade problems in a multilateral framework. Agreement was reached on the desirability of a

significant liberalization of world trade and on some of the main features of the "Kennedy Round" of tariff negotiations scheduled to open in May, 1964.

The negotiations are to cover all classes of goods including agricultural products and will deal with both tariff and non-tariff barriers. The general plan for the negotiations is to be based on across the board tariff reductions subject to a minimum of exceptions and with special rules to deal with significant differences in rates of duty in the different tariffs of the participating countries. It was recognized however, that because of their special economic and trade structure this linear approach was not suitable for countries like Canada. In these cases the objective will be the negotiation of a balance of advantages.

The Ministerial meeting paved the way for a great deal of preparatory work for the Kennedy Round on such aspects as the tariff negotiation plan, disparities, non-tariff barriers and trade in agricultural products. Canada was represented on a number of committees and working groups dealing with these questions during the latter part of 1963. At the end of the year however, a number of important problems and differences still remained to be resolved as to the rules and procedures to be followed in the negotiations. The decisions reached by the GATT Trade Ministers in May also enabled further progress to be made in working out ways of facilitating the expansion of the export opportunities of the less developed countries so as to assist them in developing their economies and improving living standards. Much attention was given to these questions not only in the GATT but also in the OECD and the preparatory committee for the U.N. Conference on Trade and Development which is to meet in the Spring of 1964. Increased emphasis in 1963 on the problems of the developing countries was also reflected in the announcement, toward the end of the year, of an expanded Canadian aid program.

### **International Organizations**

Canada is a member of a number of international trade and economic organizations. These organizations play an important role in the furtherance of Canada's international trade and economic interests.

The General Agreement on Tariffs and Trade (GATT) is a multilateral trade agreement which governs Canada's trade relations with some 70 countries, including all of Canada's leading trade partners. It is the principal instrument through which Canada works with other countries to reduce tariffs and remove other obstacles that handicap the Canadian exporter.

The administration of the General Agreement entails an annual four-week session of the member countries, which deals with various problems of international trade; there are also regular meetings of various committees and working groups on such problems as restrictions maintained for balance of payments purposes, agricultural trade and the trade of less developed countries and ad hoc consultations on differences and disputes between the members. At present a number of GATT bodies are addressing themselves particularly to questions relating to the forthcoming trade and tariff conference.

During 1963, GATT's membership increased by 16 countries to a total of 60 full members. Some 13 other countries participated in the work of GATT or were associated, through special arrangements.

The Organization for Economic Co-operation and Development is a consultative body of eighteen Western European countries, the United States and Canada. Last July, Japan was invited to adhere to the OECD convention. It had already participated in some of the activities of the Organization and is expected to become a full member in the course of 1964. The O.E.C.D. maintains contact with business and industry through its Business and Industry Advisory Committee, which consists of representatives of similar national advisory committees. Quarterly meetings are held between the executive of the Canadian Industry and Business Advisory Committee and representatives of a number of Federal departments to exchange views and information on activities in O.E.C.D. and other matters of mutual interest.

There were consultations in the O.E.C.D. on a number of general trade and economic matters during 1963 and the activities of the organization in the field of development aid were further expanded and diversified. The O.E.C.D. development centre decided upon in 1962 began its work on the development problems of the less developed countries.

The O.E.C.D. Ministerial Council met in November. It was agreed that a special group should meet periodically prior to the opening of the U.N. Conference on Trade and Development to exchange views on the major issues which are expected to confront the conference.

The decision to convene the U.N. Conference on Trade and Development was taken by the U.N. General Assembly in December 1962 in order primarily to give impetus to efforts to deal with the problems of the less developed countries. During 1963 the activities of the various U.N. institutions were largely focused upon the preparations for this conference. A 32-country Preparatory Committee—of which Canada is a member—representing a cross section of the U.N., has been entrusted with preparations for the Conference. Two preparatory meetings were held in 1963 and a third is scheduled for early February, 1964. The preparatory meetings have identified the main issues and drawn up a provisional agenda for the Conference which is scheduled to meet in Geneva from March 24 to June 16, 1964.

## **Commodity Trade Policies**

There was intensive preparatory work during the year designed to lay the basis for major agricultural negotiations. The GATT Ministerial meeting in May agreed that the 1964 trade and tariff negotiations should provide for acceptable terms of access for agricultural products. Under the terms of this decision, a Trade Negotiations Committee on Agriculture was established and special groups on cereals and meats were convened to negotiate appropriate arrangements. As regards cereals, consideration was given to the key elements which should be included in the negotiation of a world cereals



agreement. Preparatory to these meetings, frequent consultations were also held among the major agricultural exporting countries.

The British Government announced at the GATT Ministerial meeting in May its intention, pending the conclusion of a long-term international cereals agreement, to introduce in 1964 changes in its existing cereals policy. The declared objective was the promotion of greater stability in the British cereals market.

The Council of Ministers of the European Economic Community at the end of December adopted further commodity regulations under the Common Agricultural Policy (see section on Europe). They also considered proposals for the agricultural negotiations in the forthcoming "Kennedy Round" and for moving towards a common price for cereals in the Community. It is expected that these proposals will be given thorough study in the Trade Negotiations Committee on Agriculture and the GATT Cereals Group.

Increasing attention was given to commodity problems, having particular regard to their importance for the less developed countries. As part of the GATT action program to improve the export opportunities of the less developed countries, it was agreed that effective joint action was required to mitigate the effects of fluctuations in markets for primary products. Techniques suggested included commodity agreements, price stabilization schemes, compensatory financing and market organizations. During 1963, discussions took place on problems relating to a number of basic commodities, including sugar, tin, lead and zinc, tungsten, rubber, cotton, cocoa and coffee (see Appendix "B"). At the meeting of the U.N. Commission on International Commodity Trade in May, consideration was given to the question of compensatory financing related to fluctuations in commodities markets and to other commodity problems to be examined by the U.N. Conference on Trade and Development, which opens in March, 1964. At the annual review of the international wheat situation in London, the International Wheat Council reported on the impact of the EEC cereals regulations on the international trade in wheat following the first year's experience.

The regular bilateral consultations between Canada and the U.S. on surplus disposal matters were broadened in 1963 to include an exchange of views on the preparations for negotiations on agricultural products within the framework of the Kennedy Round.

### Export Financing and External Aid

Canadian exports in 1963 continued to be facilitated as a result of Government financing available to industry.

Government guarantees of private credit through insurance under Section 21 of the Export Credits Insurance Act enabled industry to offer competitive financing arrangements on export sales of Canadian products. Substantial quantities of Canadian wheat were insured under this section of the Act.



In keeping with the increased emphasis on the flow of financial resources to developing countries, the Government financed a number of capital projects in such countries as Mexico, Chile, Ceylon, India, and Pakistan. (For details, see Appendix "L".) The amount of funds available for long-term financing under Section 21A of the Export Credits Insurance Act is, at present, \$300 million. Of these resources, some \$270 million had been committed by the end of the year.

Canada established a special credit for the financing of the Niger Dam project as a participant in the I.B.R.D. Consultative Group, to assist economic development in Nigeria. There was also a further earmarking of Government long-term funds in connection with Canadian participation in the World Bank Consortia for India and Pakistan, as well as commitments of special credits to Greece and Turkey under the O.E.C.D. Consortia for these countries.

Under Canadian bilateral grant aid programs, provision was made, in 1963, for expenditures of about \$48 million covering principally the Colombo Plan, the Caribbean, Commonwealth Africa, and the French-speaking African States. A special program for food aid was introduced in 1963 providing for commodity contributions to international aid agencies as well as the supply, on a bilateral basis, of Canadian food, principally wheat and wheat flour, to less-developed countries. In the multilateral field, Canada increased its contributions to the economic assistance programs of the United Nations, including the Special Fund, and to the International Development Association.

In November, the Government announced its intention to expand Canada's aid program beginning in the fiscal year 1964/65. It is envisaged that annual overall commitments will reach a level of between \$180 and \$190 million.

One of the principal new elements in the proposed program is the establishment of a \$50 million loan fund for development purposes involving such features as long maturity periods, liberal grace periods, and little or no interest.

The Department worked closely with other government departments and agencies in the development and implementation of these financing and aid programs, both in Ottawa, and through participation in various international meetings.

## Canada and the United States

The highlight of the year was the meeting at Hyannisport, Mass. in May between the President of the United States and the Prime Minister of Canada. The President and the Prime Minister reaffirmed the desire of the two Governments to co-operate in a rational use of the Continent's resources and to deal in a positive and co-operative manner with developments affecting their international trade and payments. In their discussions on the world trade situation the President and the Prime Minister agreed that the two

countries would co-operate closely in the general trade negotiations scheduled to open in May, 1964. The desire of the two countries to work together in this way was expressed at the GATT Ministerial Meeting in May 1963 when Canada warmly welcomed the trade initiative embodied in the U.S. Trade Expansion Act and strongly supported the proposed "Kennedy Round".

The joint Canada-United States Ministerial Committee meeting in September provided a further opportunity to consider ways of strengthening the economic ties between Canada and the U.S. and discuss specific trade problems. It was agreed that early consideration would be given by the two Governments to the best means of elaborating and strengthening the basic principles of economic co-operation between Canada and the U.S.A. With regard to access for Canadian goods to the U.S. market the Canadian Ministers urged that this should not be obstructed by special measures. They referred specifically to quota restrictions maintained by the United States on imports of lead and zinc and Canadian matured cheese and to problems relating to certain other items. Both sides agreed on the usefulness of continuing to consult together on agricultural matters and the value of the quarterly meetings which are held between Canadian and U.S. officials on wheat and related matters.

In 1963 Canadian exports to the United States reached a new record, totalling \$3,766.4 million compared with \$3,608.4 million in the preceding year. A particularly noteworthy feature was the further substantial increase in sales of fully manufactured goods, in line with the trend of the last few years.

Although the pressures for restrictive measures on softwood lumber continued in 1963, no action was taken against this Canadian produce during the year. The Tariff Commission concluded its investigation under the escape clause in the Trade Expansion Act with a finding that softwood lumber was not "as a result in major part of concessions granted under trade agreements being imported into the United States in such increased quantities as to cause or threaten to cause serious injury to the domestic industry producing the like article". A Bill was passed by Congress which would have required marks of origins on lumber and other bulk commodities contrary to a long history of exemptions for such items and a specific trade commitment regarding lumber. However, this legislation was refused Presidential assent on the last day of the year.

Canadian oil continued to be exempt from the U.S. mandatory controls on oil imports. Canada sought to conduct its export trade in oil so that its steady growth would not be put in jeopardy by actions that would cause serious disruption in any United States market. Oil problems were discussed on a number of occasions with U.S. authorities.

The U.S. Tariff Classification Act was proclaimed into force on August 31. The purpose of this legislation was to simplify and bring up to date the U.S. tariff schedules and it was not designed to affect substantive rates of duty on imports. However, a number of problems arose concerning the treatment of Canadian imports under the new classification. The United States was

granted a waiver by the GATT permitting it to introduce the new tariff schedules and providing for the completion of consultations and re-negotiations on items which have been the subject of concessions by the United States. Consultations took place between Canadian and U.S. authorities both before and after the proclamation of the Tariff Classification Act and further discussions were planned for 1964.

### Canada and the Commonwealth

The year was marked by a substantial increase in Canada's sales to Commonwealth markets. Exports to the Commonwealth during 1963 totaled \$1.40 billion, 12.9% above the 1962 figure.

The meeting of the Commonwealth Economic Consultative Council in May 1963 provided the first opportunity for the Trade Ministers of Commonwealth Countries to review the world situation in the light of the breakdown of the negotiations for British entry into the common market. The Ministers agreed on the need for a general expansion of world trade and welcomed the initiative that had led to the proposal for a new general round of trade negotiations in 1964. They also recognized the importance of increasing trade between Commonwealth countries. They noted the valuable links developed under the preferential system and agreed that any modification would need to be considered in the light of compensating benefits which might be offered.

At the September meeting of the Council, which was attended in most cases by Commonwealth Finance Ministers, attention was largely focused on various aspects of the trade and economic development needs of the less developed countries. Views were exchanged on proposals put forward in various international bodies for increasing the trade opportunities of less developed countries. With the development of independent status for many Commonwealth countries, this is a matter of even greater direct interest to the Commonwealth group.

Other Commonwealth discussions during 1963 included the meeting in October at Ottawa of the U.K.-Canada Continuing Committee of senior officials. In addition, there were informal talks with a number of distinguished Commonwealth visitors to Canada including the Rt. Honourable John McEwen, Australian Deputy Prime Minister and Minister for Trade and the Honourable D. S. Joshi, Secretary of International Trade in the Indian Ministry of Commerce and Industry. Canada, along with other overseas cereals suppliers, had detailed discussions with the British on the proposed changes in Britain's cereals policies.

Britain, as one of the seven member countries of the European Free Trade Association, reduced its industrial tariff vis-a-vis its EFTA partners by a further 10% effective December 31st. This brings tariffs within EFTA down to 40% of their base levels except in the case of the majority of agricultural products which are excluded from the free trade arrangements among the Seven. In agreement with Denmark, Britain suspended its tariff on butter for the duration of the present quota system.



In April, the Ministerial meeting of the Australia-New Zealand Committee on Trade agreed to establish a joint standing committee to review and study trade between the two countries. The Committee is to submit, as soon as practicable, proposals for consideration by the two governments for a free trade area in forest products and other items suitable for inclusion in a free trade arrangement, either from the outset or subsequently. The joint study would at this stage be without commitment by either government and would have regard to international implications and the domestic considerations for each country.

Following the dissolution of the West Indian Federation and the achievement of independence by Jamaica and Trinidad, proposals were made for a political economic grouping of the remaining British territories in the Caribbean. Discussions were held in London during May and June but no agreement was reached.

In the new Federation of Malaysia, formed by the union of Malaya, Singapore, Sarawak and North Borneo, a tariff advisory board was established and instructed to submit recommendations on the establishment of a common market among these territories. There was also some discussion during the year of the possibility of a regional grouping in East Africa comprising the newly independent countries of Kenya, Uganda and Tanganyika. In Central Africa the Federation of Rhodesia and Nyasaland ceased to exist at the end of the year, though no final decisions were reached as to the future trading arrangements between the three constituent territories, Southern Rhodesia, Northern Rhodesia and Nyasaland.

A number of important Canadian exports including aluminum and lumber were the subject of Tariff Board enquiries in Australia. In the case of aluminum, special import control measures have been imposed pending a decision on the long term level of protection to be accorded to the domestic industry. In the meantime, Canadian aluminum sales to the Australian market are being severely restricted. Lumber was also placed under temporary import restriction in 1962 pending a determination by the Board as to what level of assistance should be accorded to Australian production. Early in 1964 these controls were replaced by higher tariffs.

## Canada and Europe

Despite the repercussions of the breakdown of the negotiations for British accession to the EEC the six member countries (France, Germany, Italy, Belgium, Luxembourg and the Netherlands) continued to make substantial progress towards the ultimate objective of a single trading entity. On July 1, national tariffs, applied to goods originating outside the Community, were adjusted for the second time to bring them closer into alignment with the eventual Common External Tariff. Such alignment is now 60 per cent complete. At the same time, tariffs between the member states themselves were reduced by 10 per cent, bringing the total of such reductions to 60 per cent for industrial goods and 45 per cent for non-liberalized agricultural



products. With regard to the Common Agricultural Policy of the Six, agreement was reached towards the end of the year on marketing arrangements for beef, veal, rice, dairy products and fats and oils. Regulations governing cereals, pigmeat, poultry, eggs, fresh fruits and vegetables and wine had already been established in the previous year. The aim of the Community is to establish progressively a single agricultural market among member countries by January 1, 1970 at the latest.

Negotiations between the Community and Turkey were completed with the signing of an Agreement of Association on September 12, 1963. This Agreement, which follows a similar arrangement between the Community and Greece, is to come into force within two months of its ratification by the seven states concerned. On July 20, a renewed Agreement of Association was signed for a five-year period by the Community and eighteen former African dependencies, providing for special arrangements to strengthen trade and economic ties. A trade agreement with Iran, which was signed on October 14, was the first to be entered into by the Community itself.

The seven member countries of the European Free Trade Association (Britain, Denmark, Norway, Sweden, Switzerland, Austria and Portugal) reduced tariffs among themselves on industrial products by a further 10 per cent during the year, bringing total reductions to date to 60 per cent of the original level. Finland, which is associated with the EFTA, will carry out an equivalent reduction on May 1, 1964.

Spain, as well as a number of former French dependencies in Africa, acceded to the General Agreement on Tariffs and Trade during the year. In December, Iceland submitted its application for provisional accession.

The trade agreement with the Soviet Union was renewed during the year and a new agreement was negotiated with Bulgaria. Both agreements provide for the exchange of m.f.n. treatment and wheat purchase commitments by Bulgaria and the U.S.S.R. In addition, long-term wheat purchases were negotiated with Poland and Czechoslovakia. Total exports of wheat under these four agreements are expected to amount to some 315 million bushels.

Canadian exports to Western Europe in 1963 were up by some 10 per cent, bringing total shipments to an estimated \$1.7 billion. Exports to Eastern Europe, which amounted to only an estimated \$160 million in absolute terms, nevertheless showed an increase of more than threefold over the preceding year. The bulk of these shipments consisted of wheat.

### Canada and Latin America

Canadian exports to Latin America in 1963 increased by approximately 20% over the previous year to a level of \$260 million, with Mexico and Venezuela continuing to be the leading markets for Canadian products. The higher economic activity general throughout the area was traceable to rising world prices for the basic export commodities of Latin America and to the cumulative stimulus of the economic assistance and loans forthcoming

under the Alliance for Progress program and the various activities of international financial institutions.

The nine members of the Latin American Free Trade Area (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru and Uruguay) brought into force on January 1, 1963, the second stage of tariff reductions applicable to goods produced in the member countries, in accordance with their plan to establish a free-trade area by 1973. In Central America, the five signatories of the General Agreement on Central American Economic Integration (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) have made progress towards a common market and towards an equalized tariff for the area.

During 1963, several Latin American countries continued to experience varying degrees of balance of payments difficulties in relation to their development needs. In Brazil, the prior deposits required from importers were increased substantially; in Argentina, embargoes were imposed on certain non-essentials as well as certain lines of machinery; in Peru, import surcharges were lifted from GATT-bound items, but there was a selective tariff increase on a wide range of other items. There were also some tendencies toward diversion of trade associated with the steps which have been taken towards the establishment of regional groupings.

## Canada and Asia and the Middle East

Japan continued to be Canada's most important market in the area and a focal point for ever increasing interest of Canadian exporters. Although a number of important Canadian export items continued to be restricted, the Japanese government took an important step towards removing these restrictions early in the year when it declared itself no longer covered by the GATT provisions which permit member countries to maintain restrictions to safeguard their balance of payments. Parallel with preparations to remove exchange controls on imports, however, there arose pressures in Japan to make greater use of tariffs as an instrument of import policy.

The conclusion by the Canadian Wheat Board of a long term wheat agreement with The China National Cereals, Oils and Food Stuffs Import and Export Corporation at the beginning of August 1963, laid the basis for large scale exports of Canadian wheat to China over the next three years. It is estimated that the agreement could mean additional export sales of wheat of from \$215 million to \$360 million in the period August 1, 1963 to July 31, 1966. The China State Trading Corporations indicated their desire to sell their products in Canada but recognized it was in the mutual interest that there should be special arrangements to avoid disruption of markets and damage to Canadian producers. Accordingly, they undertook to limit their annual exports to Canada of sensitive items to \$7 million. To ensure that Chinese sales would not be concentrated in any particular sector of trade, separate limitations were established for some 30 items, mostly textile products within this overall limit.

In the field of trade relations, arrangements were completed for Kuwait to become a contracting party to the GATT and the United Arab Republic provisionally acceded to the General Agreement.

### **Administrative Services**

Administrative services to all branches of the Department are centralized under the Comptroller-Secretary. Parliamentary returns and reports and submissions to the Executive are co-ordinated on behalf of the Department and associated Crown Agencies.

During 1963, studies of each component of the Branch were conducted by the Management Analysis Division of the Civil Service Commission. Several adjustments in procedure and methods have been or will be made as a result. No major changes in organization or policy were proposed.

Responsibility for the various administrative functions are allocated as follows:

#### **Personnel**

The Personnel Branch provides advisory and personnel services to the operating branches and maintains liaison with the control agencies.

Responsibility is divided functionally in respect of organization and establishment, leave and attendance, pay, hospital-medical services, superannuation and by organizational groupings in respect of other services.

The Co-ordinator of Transcribing and Typing Services reports to Director of the Personnel Branch.

#### **Financial Services**

The Financial Services Division is responsible for the administration of the Department's financial operations.

The Division conducts a continuous review of commitments, expenditures and financial procedures, to ensure conformity with approved policies, and co-ordinates, prepares and reviews Departmental annual estimates.

In addition the Division provides an advisory service to the operating Branches on all financial matters and maintains liaison with the various financial and control agencies of government.

#### **Office Services**

The Records Section provides records, mail and messenger services to branches in Ottawa through the main units in the Trade and Commerce Building or the branch registries attached to branches located elsewhere in Ottawa.

The Supply and Accommodation Section is responsible for procuring, storing, issuing and controlling the printing, stationery, furniture and equipment required by the Department. Office accommodation and maintenance, telephone, intercom installations and other services are arranged by this Section.



## Travel and Removal

This office arranges the transportation and accommodation needs of Departmental officials and their dependents and the transport of household goods and effects of personnel on foreign assignments. In addition the Travel and Removal office arranges shipments of materials and supplies for offices in Canada and abroad.

## Library

The Library selects, acquires, catalogues, indexes, circulates, lends and retains publications on the diversified subjects of interest to members of the various branches of the department.

Considerable time is spent by the Librarians in assisting with research projects. For that purpose, the compilations of special and continuous bibliographies are found essential.

Co-operation with business, university and other government libraries through loans and other forms of assistance is also part of the regular work done in the Trade and Commerce library.

## Economics Branch

The Economics Branch conducts a continuous examination of current and prospective trends in the Canadian economy and undertakes studies on various aspects of Canada's economic development as required for official use.

Statements on the general economic situation were prepared in which current trends in general economic activity were reviewed and future prospects were assessed. In some cases, these reports were designed for general background use within the Government, while in others, they were directed to specific problems to be dealt with by individual government departments. Special attention was given to cyclical changes taking place during the year. Economic developments in the United States, particularly as these affect Canada, were closely followed.

Continuing study was given to the current and prospective trend of capital outlays in Canada. In collaboration with the Dominion Bureau of Statistics, reports summarizing the results of surveys of capital expenditure intentions for the year were published in March and again at mid-year. An on-the-spot canvass of investment plans of a number of larger companies was carried out in the fall of the year to obtain some preliminary indication of probable investment trends during the coming year.

Canada's foreign trade position was kept under review throughout the year. Reports on current trade developments and on particular aspects of Canada's foreign trade were prepared as required.

Conditions prevailing throughout Canadian industry were kept under review, particular attention being given to the effects, industry by industry, of changing demand influences in both foreign and domestic markets. Studies on international commodity markets and on particular industries are under-



taken as required for the consideration of any specific matter or program with which the Department is concerned and for general background purposes.

The Branch participated from time to time in the preparation of economic material required in connection with international meetings and representations from industry, or for other departmental purposes. Special studies were conducted on various economic and trade issues requiring the attention of the Department.

Research directed toward the development of forecasting and other analytical procedures was carried forward. Examination of economic relationships in the Canadian economy was continued in the Branch to facilitate the analysis of economic conditions. Because of the importance of statistical material for current economic analysis, the Branch continued to take an active interest in the development of government statistical programs.

### Standards Branch

The Standards Branch administers those statutory enactments which control the sale and use of measuring instruments required for the distribution of gas and electricity, and for general weight, volume, and length determinations. The statutes involved are the Gas Inspection, Electricity Inspection, and Weights and Measures Acts. The control in each is twofold: first, type approval before sale and installation, and second, in-use inspection. In the gas and electricity program a total of 1,323,000 devices and installations were inspected, an increase of some 33,000 over 1962. The Branch continued its function as agent for the National Energy Board in the inspection of export/import metering installations. Several extensive investigations were made into large-scale gas and electricity network systems. The number of devices in general trade which were inspected remained about constant at 482,000. The trend previously reported of industry's demands for greater accuracies continued, and the complexity of some newer devices continues to present difficult testing problems particularly at the field level. The package inspection program at retail and manufacturers' outlets was maintained.

With the demand for higher accuracies and the introduction of new measurement techniques, the Laboratory was required to carry on some intensive technical research in addition to its normal load of standards' calibration and approvals. The distribution of fuel oil from central storage to consumers, which was under examination in 1962, was approved and several manufacturers are now marketing this system.

The activities of the Branch in the precious metals and commodity fields continue at a high level. The inspection of gold, silver, palladium and platinum articles of all kinds indicated a satisfactory compliance with the requirements for quality and markings. For those commodities under regulation in the matter of labelling and advertising the situation appears satisfactory. The Branch continued its extensive activities in many committees dealing with standards and specifications both national and international.

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## Appendix "A"

### Head Office Directory

(As at December 31, 1963)

**Head Office Trade and Commerce Bldg.,**  
**Wellington and Lyon Sts., Ottawa** ..... Telex - 013424

#### **Regional Offices: St. John's, Halifax, Winnipeg, Vancouver**

(See page 59)

	Gov. Local
<b>Minister: The Honourable Mitchell Sharp</b> .....	2-0336, 2-0337
Executive Assistant: M. J. McCabe .....	2-7052
Private Secretary: Mrs. Ruth Gray .....	2-0337
<b>Deputy Minister: James A. Roberts</b> .....	2-2888, 2-5838
Executive Assistants: C. T. Charland, P. A. Freyseng .....	2-2380, 2-0819
<b>Administrative Services: Comptroller-Secretary, L. J. Rodger</b> .....	2-7411, 2-2262
Personnel Branch: Director, P. M. Legris .....	2-5430
<b>Economics Branch: Director, V. J. Macklin</b> .....	2-5658
<b>Grain Division: Chief, R. M. Esdale</b> .....	2-5830, 2-5648
<b>Standards Branch: Director, R. W. MacLean</b> .....	2-2132
<b>Assistant Deputy Minister (External Trade Promotion):</b> .....	2-2530, 2-0798
<b>Assistant Deputy Minister (Trade Policy): J. H. Warren</b> .....	2-4042, 2-2649
<b>Assistant Deputy Minister (Commodities and Industries): Denis Harvey</b> .....	2-5417, 2-7056
Special Assistant: D. S. Armstrong .....	2-0241

#### **External Trade Promotion Services**

**Assistant Deputy Minister** ..... 2-2530, 2-0798

##### **Canadian Government Exhibition Commission,**

**2487 Kaladar Ave.**

	Gov. Local
<b>Director: Patrick Reid</b> .....	2-7412, 2-3558
<b>Assistant Director:</b> .....	2-7747
<b>Administrative Officer: A. D. Simmons</b> .....	2-6795
<b>Chief, Design Division: G. E. Stranks</b> .....	2-3671
<b>Chief, Production: J. Rachlis</b> .....	2-3524

**Canadian Government Travel Bureau**      **150 Kent St.**      Telex - 013474.

<b>Director: Alan Field</b> .....	2-3166
<b>Assistant Director: Dan Wallace</b> .....	2-5256
<b>Operations and Travel Information Division</b>	
<b>Chief: M. E. Campeau</b> .....	2-7355
<b>Publicity Division Chief: J. A. Carman</b> .....	2-6373
<b>Publications Division Chief: H. B. Betts</b> .....	2-5180

## Trade Commissioner Service

	Gov. Local
Director: T. R. G. Fletcher .....	2-8286
Executive Director: A. P. Bissonnet .....	2-6835
Assistant Director (Personnel): C. O. R. Rousseau .....	2-6800
Assistant Director (Administration): K. F. Osmond .....	2-5669

## Trade Fairs and Missions Branch

Director: D. G. W. Douglas .....	2-8269
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### Trade Fairs Abroad Division

Acting Chief: F. J. Bradley .....	2-8855
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### Trade Missions Division

Chief: G. A. Cooper .....	2-8069
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## Trade Publicity Branch

Director: Royd E. Beamish .....	2-2479, 2-6394
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### "Foreign Trade" and "Commerce extérieur"

Editor: Miss O. Mary Hill .....	2-6588
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### Editorial and Art Services Division

Chief: F. R. Hamilton .....	2-6435
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### Media Relations Division

Chief: Kenn A. Prittie .....	2-2186
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## Trade Policy Services

J. H. Warren, Assistant Deputy Minister .....	2-4042, 2-2649
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M. Schwarzmann, Head,

Office of Trade Relations and Trade Policy .....	2-4815
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## Section I Office of Trade Relations and Trade Policy

Director: R. E. Latimer .....	2-2250
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### United States Division

Acting Chief: T. M. Burns .....	2-5176
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### Commonwealth Division

Chief: A. W. Evans .....	2-2421
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### General Relations and Special Projects Division

Chief: A. W. A. Lane .....	2-5779
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### Commodity Trade Policies Division

Chief: A. R. A. Gherson .....	2-4100
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## Section II Office of Trade Relations and Trade Policy

Director: V. L. Chapin .....	2-2981
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### European Division

Chief: G. W. Green .....	2-8727
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### Latin American Division

Chief: B. S. Shapiro .....	2-7641
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### Asia and Middle East Division

Chief: F. P. Weiser .....	2-5642
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## Trade Policy Services—continued

Gov. Local

### International Organizations Division

Chief: W. Lavoie ..... 2-4963

### Export Financing and External Aid Division

Chief: W. G. Pybus ..... 2-6143

## Commodities and Industries Services

Denis Harvey, Assistant Deputy Minister ..... 2-5417, 2-7056

### Agriculture and Fisheries Branch

Director: Dr. S. C. Hudson ..... 2-4301

Assistant Director: G. E. Woollam ..... 2-7634

#### Fisheries Division

Chief: T. R. Kinsella ..... 2-7385

Assistant Chief: D. J. Packman (Atlantic Fisheries) ..... 2-7744

Pacific Fisheries: B. Choquette ..... 2-6621

Inland Fisheries ..... 2-7385

#### Grain Division

Chief: R. M. Esdale ..... 2-5830, 2-5648

Assistant Chief: W. R. Hickman (Export) ..... 2-7036, 2-5830

Assistant Chief: J. W. Channon (Domestic) ..... 2-5648, 2-7036

W. J. O'Connor ..... 2-5830, 2-5648

#### Livestock and Animal Products Division

Chief: K. L. Melvin ..... 2-3172

Assistant Chief: D. H. Burns (furs, sugar, beverages) ..... 2-4161

Livestock, meats and meat products: J. Kaffezakis ..... 2-5347

Dairy and poultry products: John A. McKelvie ..... 2-8039

Special Projects: R. M. McKay ..... 2-7749

#### Plant Products Division

Chief: A. J. Stanton ..... 2-7523

Fruits, vegetables and products: J. B. Mountain ..... 2-0914

Special crops, feeds, seeds: F. Beaudette ..... 2-6350

Grocery and confectionery products: W. J. Curran ..... 2-6350

Oils, fats and oilseeds: H. E. Ryan ..... 2-5481

### Commodities Branch

Director: A. M. Tedford ..... 2-6905

Assistant to Director: A. M. Mackenzie ..... 2-0241

#### Appliances and Commercial Machinery Division

Chief: G. W. Rahm ..... 2-6950

Assistant Chief: W. H. Grant ..... 2-3209

Sewing machines (domestic), gas, gasoline and kerosene pressure  
stoves, lamps, lanterns: W. H. Grant ..... 2-3209

Scientific equipment and supplies, home entertainment:  
J. A. Findlay ..... 2-6383

Plumbing, heating, air conditioning: D. C. Meyers ..... 2-6958

Hardware and building supplies: F. R. Harris ..... 2-6958

Appliances, commercial machinery and supplies:  
P. C. Fredenburg ..... 2-6552

## Commodities Services—continued

Housewares, small goods and lighting: H. G. Weber .....	Gov. Local 2-7956
Office machinery and servicing equipment, all types: V. J. Byam ....	2-8789
<b>Chemicals Division</b>	
Chief: G. E. McCormack .....	2-5993
Assistant Chief: G. A. Ferguson .....	2-6075
Fertilizers, synthetic resins, rubber: G. A. Ferguson .....	2-6075
Pharmaceuticals, inorganic chemicals: .....	2-8966
Petroleum and related products, pesticides: R. B. Ball .....	2-8863
Chemical specialities: D. W. Baisley .....	2-5177
Organic chemicals: A. G. Billingsley .....	2-2905
<b>Engineering and Equipment Division</b>	
Chief: R. C. Wallace .....	2-4082
Engineering Services Section: M. M. W. Smith .....	2-3029
Power generation, transmission and distribution equipment, nuclear reactor equipment, construction contracting: V. P. Rossiter ....	2-5382
Communications and electric equipment: R. Sangster .....	2-8086
Nuclear Instrumentation: R. Sangster .....	2-8086
Communications and electronic equipment: D. L. Draper .....	2-6479
Transportation and industrial plant equipment section: J. F. Frank .....	2-8897
Agricultural and automotive equipment, vehicles, aircraft, ships, railway rolling stock: G. C. Clarke .....	2-3873
Metal working and industrial plant equipment: J. R. Johnson .....	2-7546
Process plant equipment and projects section: L. T. Hansson .....	2-5859
Forest industry equipment, mining, rolling mill plant equipment, projects: L. T. Hansson .....	2-5859
Chemical plant equipment and projects: L. T. Hansson .....	2-5859
Municipal plant equipment and projects: L. T. Hansson .....	2-5859
Food processing plant equipment and projects: L. T. Hansson .....	2-5859
<b>Forest Products Division</b>	
Chief: M. N. Murphy .....	2-0273
Logs, other round material, lumber and sawmill products: P. H. Jones .....	2-8800
J. M. Monaghan .....	2-5811
Manufactured wood products: A. D. Monkhouse .....	2-8979
Wood pulp, newsprint, other papers: E. J. White .....	2-4449
M. K. Paumann .....	2-5127
Paper Products: F. T. Carten .....	2-6974
<b>Metals and Minerals Division</b>	
Chief: R. J. Jones .....	2-8422
Lead, zinc, light metals: R. T. B. Harvey .....	2-4863
Copper, nickel, additive metals: R. J. Hurley .....	2-3823
Iron and steel: O. L. L'Esperance .....	2-5159
R. E. Pike .....	2-5159
Industrial and structural minerals: R. P. Mulvihill .....	2-5823
<b>Textiles and Consumer Goods Division</b>	
Chief: A. C. Fairweather .....	2-6197
Assistant Chief: E. G. Gerridzen .....	2-7815
Ladies' wearing apparel, linens, blankets: E. G. Gerridzen .....	2-7815
Men's and boys' apparel, headwear (ladies and men's), household textiles, laces, rugs, rolled flooring: M. A. Olivier .....	2-8760
Textile fibres, yarns, fabrics, cordage, textile wastes: R. M. Josephson .....	2-3004
Sporting goods, recreational supplies, watercraft, marine supplies, surgical equipment (elastic protective): G. A. Taylor .....	2-5378



## Commodities Services—continued

	Gov. Local
Toys, dolls and playthings, musical instruments, optical goods:	
Miss R. A. Orr .....	2-4160
Leather, rubber and plastic products, hides and skins:	
W. L. Herman .....	2-0518
Handicrafts, chinaware, jewelery, photographic equipment, wigs, brooms, brushes, etc.: J. G. Touchette .....	2-5337
Records Statistics Office Services: Miss H. E. Heighton .....	2-8810

### Trade Services Branch

Director: E. C. Thorne .....	2-7163
Assistant Director: G. M. Schuthe .....	2-6236

### Allied Services Division

Chief: O. A. Sulzenko .....	2-7746
R. C. Montreuil .....	2-8888
Head, Directories Section: R. W. Bedard .....	2-6681

### Trade Controls Division

Chief: S. G. Barkley .....	2-5670
Head, Export and Import Permit Section: G. L. Tighe .....	2-3640

### Transportation Division

Chief: H. A. Hadskis .....	2-2737
J. H. Hiland .....	2-5851

## Regional Offices

Halifax, N.S., 5525 Artillery Place .....	Phone: 422-8491
Regional Manager: W. A. Stewart .....	Telex: 014-42429
St. John's, Nfld., Sir Humphrey Gilbert Bldg., Duckworth St. (P.O. Box 5458) .....	Phone: 2698
Regional Officer: Mrs. B. Robertson .....	Telex: 016282
Winnipeg 1, Man., Room 521, 269 Main St. ....	Phone: 943-7496
Regional Manager: W. Mackenzie Hall .....	Telex: 035287
Vancouver 2, B.C., Room 405, Federal Bldg., 325 Granville St. ....	Phone: MU1-7161
Regional Manager (Acting): J. F. Murray .....	Telex: 045391

## Standards Branch, Standards Bldg., Holland Ave., Tunney's Pasture

Director: R. W. MacLean .....	2-2132
Chief Engineer: G. E. Anderson .....	2-0020
Electricity and Gas Division	
Chief: E. F. Power .....	2-2956
Laboratory Division	
Chief: W. J. S. Fraser .....	2-2575
Weights and Measures Division	
Chief: C. S. Phillips .....	2-2000
Commodities and Precious Metals Marking	
G. R. Lewis .....	2-7075

## Associated Services

### Dominion Bureau of Statistics, Holland Ave., Tunney's Pasture

Dominion Statistician: Walter E. Duffett .....	2-2529
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## **Associated Services—concluded**

	Gov. Local
Assistant Dominion Statistician (Statistical Integration): S. A. Goldberg .....	2-5458
Assistant Dominion Statistician (General Assignments): L. E. Rowebottom .....	2-5426
Assistant Dominion Statistician (Administration): H. L. Allen .....	2-7695
Publications Information and General Inquiries .....	2-2959

## **Export Credits Insurance Corporation, 309 Cooper St., P.O. Box 655**

President and General Manager: H. T. Aitken .....	232-4828
Vice-President: A. W. Thomas .....	232-4828
Montreal Branch, Room 803, 407 McGill St. ....	288-9012
Toronto Branch, Room 1510, 55 York St. ....	364-5778
Represented in Halifax, Winnipeg and Vancouver by the Regional Offices of the Department of Trade and Commerce.	

## **Translation Branch**

Chief: Emile Boucher .....	2-2760
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## Appendix "B"

### International Commodity Conferences and Agreements

The Department participates in an increasing number of international conferences on different commodity trades to study such matters as supply and demand, chronic imbalances, stockpile disposals and inter-Governmental commodity agreements.

Following notes on specific commodities, the various meetings attended are listed.

#### Cocoa

The United Nations International Cocoa Conference was held in Geneva, Switzerland, during September and October, 1963, in an endeavour to formulate an International Cocoa Agreement. Owing to the inability of producers and consumers to agree upon price limits, the Conference failed to reach agreement. Canada participated in these negotiations. Meanwhile, the F.A.O. Cocoa Study Group is continuing to hold periodic meetings, which Canada attends as an observer.

#### Coffee

The International Coffee Agreement came into force on January 1, 1964.

The first session of the International Coffee Council was held July/August, 1963, at which the executive officers were elected as was the Executive Board.

The Executive Board consists of seven member importing countries and seven member exporting countries elected annually. Canada is a member of the Board.

A special session of the Council was called in November to consider requests from a number of exporting countries for increases in their annual quotas. This problem was not resolved with the result that further consideration will be given to these submissions at the next regular session of the International Coffee Council in March, 1964. The organization is composed of 58 member countries.

#### Sugar

In the face of a world shortage of sugar, the export quota provisions of the International Sugar Agreement have been inoperative since January 1, 1962. However, at an International Sugar Conference in July, 1963, it was held desirable to continue the Agreement against future necessity and the Conference established a protocol to continue the work of the International

Sugar Council and formed a Preparatory Committee which is to study new bases for a new International Sugar Agreement. Canada signed the protocol September 29, 1963. The protocol extends the Agreement for a further two years until December 31, 1965. The Canadian delegation is a member of the Preparatory Committee while Canada is represented on the statistical and executive committees.

## **Cotton**

Senior Government and industry officials from thirty-three of the forty-one member countries were represented at the Twenty-Second Plenary Meeting of the International Cotton Advisory Committee held in Bangalore, India, from April 29 to May 8, 1963. The Republic of China (Formosa), Nigeria and Tanganyika were new member countries seated for the first time. In addition observer countries represented were Cuba, Hungary, Poland, Rumania, Indonesia and Thailand. Representatives were also in attendance from the Bank of Reconstruction and Development, The International Rayon and Synthetics Fibres Committee, The International Federation of Cotton and Allied Textile Industries and The International Cotton Federation.

The Committee devoted considerable discussion to problems on production, prices, carry-over stocks and the cotton policy of the United States. As a result of a record world crop in the face of some anticipated reduction in world consumption it is expected that for the first time since 1956 there will be a notable increase in the world carry-over at the end of this season. Much of this carry-over will be concentrated almost entirely in the United States where stocks are expected to increase nearly 50% over the previous year. This is a problem not only to the United States but also to the other cotton-producing countries.

Concern was expressed over the United States support program for the benefit of growers of raw cotton and the effect this program has had in maintaining the price of raw cotton at an artificially high level. Also of concern was the threat posed by synthetic fibres, the consumption of which has risen to new record levels while the consumption of cotton has declined. The U.S. administration is currently examining the United States cotton policy and its impact on producers and processors under the present two-price system. Some announcement may be made in the near future which could include possible measures to strengthen the competitive position of cotton vis-a-vis man-made fibres in the U.S. market.

In general the Committee was encouraged by the progress made to improve yield per acre of the quality of cotton through expanded programs of research. It was also recognized that promotion has a vital part to play in expanding the overall demand for raw cotton and in strengthening its competitive position vis-a-vis other fibres. Considerable effort is already being made in this field and a proposal was put forward that, some time before the Twenty-Third Plenary Meeting, interested cotton producing countries could discuss with appropriate cotton organizations in producing and consuming



countries ways and means of raising additional resources for promotion and market research.

## **Tin**

The International Tin Council, the executive body established to administer and to supervise the operations of the Second International Tin Agreement, held four meetings during the year in London, England, the ninth to twelfth sessions inclusive. The principal topics considered at these meetings included the market implications resulting from disposals of surplus tin by the United States from non-commercial stockpiles, and the revision of the floor and ceiling prices under the Agreement. The new price levels established on December 5 were: lower range, £850 to £900; middle range, £900 to £950; upper range, £950 to £1000. A previous upward revision was effective January 12, 1962.

In November, a delegation from the Council met with United States authorities in Washington to discuss U.S. surplus tin disposals in relation to the long-term development of the industry, and to seek effective co-operation in considering problems arising from these disposals.

After holding at slightly above £850 a long ton during first three months of 1963, the London tin price advanced during April and May, following the U.S. announcement of disposal intentions for a one year period. In June the price passed the buffer stock lower selling level of £910, and, in October, following a further period of stability, the price again advanced to over £965 on October 28, 1963, forcing the exhaustion of the remaining buffer stock holdings. On December 31, 1963 the price level reached £1035 a ton.

## **Lead and Zinc**

The seventh session of the International Lead and Zinc Study Group was held in Geneva, Switzerland from November 4 to 7. During the session, Austria was admitted to membership, bringing the total of countries participating to twenty-six. Observers from the European Economic Community and from the Organization for Economic Co-operation and Development were present at the meetings.

The principal matters considered during the session included a review of the current situation and outlook for 1964 for lead and zinc, the liberalization of non-tariff trade barriers, and appropriate consultative procedures in the event of the liquidation of non-commercial stockpiles by the United States.

The Group noted the continued increase in the consumption of each metal, and the decline in world producers' stocks. For lead, consumption and supplies appeared to be approaching a balance, however, zinc consumption continued to exceed available supplies. Substantial price increases for both metals occurred during 1963. On December 31 lead sold at £77-17-6 a ton and zinc at £94-10-0 a ton on the London Metal Exchange. The comparable prices on December 31, 1962 were lead £54-10-0 and zinc £65-17-6.

## **Tungsten**

Following the renewed decline in world tungsten ore prices in 1961 and 1962, the United Nations Interim Coordinating Committee on International Commodity Arrangements invited interested governments to attend an Exploratory Meeting on Tungsten in New York on January 8 and 9. The purpose of the meeting was to review international developments in tungsten and to consider whether arrangements should be made for further international consultation or action.

Subsequently, on June 11 and 12, the first session of the Ad Hoc Committee on Tungsten was convened in New York. The second session of this Committee met in Geneva, Switzerland on October 28 and 29. At these meetings arrangements were made to compile the necessary statistical and other information to permit an adequate appraisal of the situation in tungsten, as a basis for possible inter-governmental action.

The downward price trend in tungsten ore was reversed in mid-year and by year-end, a moderate recovery in price had taken place.

## **Coniferous Lumber**

Canada was represented by the Commercial Secretary (Timber) in London at the Conference of the European Coniferous Lumber Industry held in Paris in October 1963. This Committee examines European softwood lumber import requirements and export availabilities with special emphasis on the overall domestic and import supply position and the effects these have on the market stability of the European lumber market.

## **Timber**

The Timber Committee of the Economic Commission for Europe held its annual meeting in Geneva in October, 1963. This Committee studies European timber trade supply problems and acts as an agency for the collection and distribution of statistics relating to European trade in lumber and primary wood products. Canada has observer status on the Committee and was represented by the Commercial Secretary (Timber) in London. At this meeting the Commercial Secretary presented a report on the Canadian supply position and prospective export availabilities of primary forest products for Europe.

## **Pulp and Paper**

As a member of the Special Committee for Pulp and Paper of the Organization for European Economic Co-operation and Development, Canada supplied trade statistics on capacity, production, imports, exports and consumption of pulp and paper. The Commercial Secretary (Timber) from the London office attended the plenary sessions of this committee in June of 1963 as well as a meeting of the Statistical Working Party which convened in early May. Both meetings were held in Paris.

# International Commodity Conferences, Study Groups and Committees in which the Department Participated

## Cereals

Cereals Exporters Meeting	March	Washington
GATT Group on Cereals	June	Geneva
GATT Group on Cereals	Nov.	Geneva
F.A.O. Group on Grains	July	Rome

## Cocoa

F.A.O. Cocoa Study Group	March	Port-of-Spain
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## Sugar

International Sugar Council	April	London
U.N. Conference on Sugar	July	London
International Sugar Council	Nov.	London

## Wheat

International Wheat Council	June	London
International Wheat Council	Nov.	London

## Coffee

International Coffee Council	July-Sept.	London
International Coffee Council	Nov.	London

## Olive Oil

U.N. Conference on Olive Oil	Feb.-Mar.	Geneva
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## General

F.A.O. Committee on Commodity Problems	May-June	Rome
World Food Congress	June	Washington
U.N./F.A.O. World Food Program	Nov.	Rome
F.A.O. Conference 12th Session	Nov.-Dec.	Rome

## Lead and Zinc

International Lead and Zinc Study Group Seventh Session	Nov.	Geneva
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## Tin

International Tin Council		
Ninth Meeting	Mar.	London
Tenth Meeting	June	London
Eleventh Meeting	Oct.	London
Twelfth Meeting	Dec.	London

## Tungsten

United Nations Interim Coordinating Committee on International Commodity Arrangements		
Exploratory Meeting on Tungsten	Jan.	New York
Ad Hoc Committee on Tungsten		
First Session	June	New York
Second Session	Oct.	Geneva

## Rubber

International Rubber Study Group Management Committee Meeting	Nov.	London
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## Cotton

International Cotton Advisory Committee	April & May	Bangalore
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Coniferous Lumber		
Conference of the European Coniferous Lumber Industry	Oct.	Paris
Timber		
E.C.E. Timber Committee		
Economic Commission for Europe	Oct.	Geneva
U.N. Special Fund		
Tenth Session Governing Council		
U.N. Special Fund	June	New York
I.T.U.		
Latin American Division Meeting of the International Telecommunications Union	May	Bogota
U.N.E.C.A.		
Economic Commission for Africa.		
African Electric Power Meeting	Oct.	Addis Ababa
Ministry of Aviation		
A Symposium on Electronics Research and Development for Civil Aviation	Sept.	Farnborough
OECD Meetings		
OECD Special Committee for Non-Ferrous Metals		
Second Session	Mar.	Paris
Third Session	Oct.	Paris
OECD Special Committee for Iron and Steel		
Second Session	May	Paris
Third Session	Sept.	Paris
Fourth Session	Dec.	Paris
OECD Special Committee for Pulp and Paper		
Thirty-Fifth Plenary Session	June	Paris
Thirty-Sixth Plenary Session	Nov.	Paris
Statistical Working Party	May & Oct.	Paris
OECD Special Committee on Chemical Products	May	Paris
OECD Special Committee for Timber	Oct.	Paris



## Appendix "C"

### Projects of the Exhibition Commission 1963

#### Part I—Projects Abroad Sponsored by the Department of Trade and Commerce

1. *International Boat Show*  
*Earls Court, London*  
January 2-12                      Space 2,500 sq. ft.                      Attendance 27,500  
Firms participating 20  
Products: Boats and accessories, marine equipment
2. *United States Regional Lumber Shows*  
A 10 ft. portable lumber display was produced and shown at the following:  
(a) Northwestern Lumbermen's Convention, Minneapolis, January 8-9, 1963  
(b) Southwestern Lumbermen's Convention, Kansas City, January 18-20  
(c) Illinois Lumber and Material Dealers' Association, Chicago, February 12-14  
(d) Wisconsin Retail Lumbermen's Association, Milwaukee, February 19-21
3. *National Sporting Goods Association*  
*Morrison Hotel, Chicago*  
January 20-24                      Space 2,200 sq. ft.                      Attendance 14,327  
Firms participating 23  
Products: Sports equipment of all types
4. *Household Goods and Hardware Fair*  
*Cologne, Germany*  
February 15-18                      Space 2,200 sq. ft.                      Attendance 55,700  
Firms participating 11  
Products: Household commodities and hardware
5. *International Delicatessen Exhibition*  
*Agriculture Hall, London*  
February 25-March 1                      Space 1,260 sq. ft.                      Attendance 18,986  
Firms participating 9  
Products: Pickles, Cheese, Canned Foods, Frozen Foods, Maple Syrup
6. *International Engineering Exhibition*  
*Olympia, London*  
April 23-May 2                      Space 3,360 sq. ft.                      Attendance 150,704  
Firms participating 16  
Products: Machines and engineering equipment.
7. *Frankfurt Fur Fair*  
*Frankfurt, Germany*  
April 24-28                      Space 1,075 sq. ft.                      Attendance 18,000  
Firms participating 3  
Products: Raw and dressed pelts, finished fur garments.
8. *Hanover Trade Fair*  
*Hanover, Germany*  
April 28-May 8                      Space 40 sq. metres                      Attendance over 1,000,000  
A trade information booth

9. *International Leather Fair*  
*Alexandra Palace, London*  
 May 20-24                      Space 408 sq. ft.                      Attendance 11,293  
 Firms participating 10  
 Products: Canadian leathers
  
10. *Design Engineering Show*  
*Coliseum, New York*  
 May 20-23                      Space 2,024 sq. ft.                      Attendance 21,200  
 Firms participating 12  
 Products: Industrial engineering equipment, Industrial machinery, computers, etc.
  
11. *Paris International Trade Fair*  
*Paris, France*  
 May 22-June 3                      Space 430 sq. ft.                      Attendance 4,000,000  
 A trade information booth
  
12. *Barcelona Samples Fair*  
*Barcelona, Spain*  
 June 1-20                      Space 675 sq. ft.                      Attendance 2,000,000
  
13. *Salon International de l'Aeronautique*  
*Paris, France*  
 June 4-16                      Space 3,770 sq. ft.                      Attendance 128,000  
 Indoor and tarmac space
  
14. *Lisbon International Trade Fair*  
*Lisbon, Portugal*  
 June 9-23                      Space 430 sq. ft.                      Attendance 244,010  
 A trade information booth
  
15. *Sydney Trade Fair*  
*Sydney, Australia*  
 July 26-August 10                      Space 10,000 sq. ft.                      Attendance 240,000  
 Firms participating 55  
 Products: A wide and representative range of consumer goods, industrial materials and equipment, machinery, transportation equipment.
  
16. *International Packaging Exhibition*  
*Olympia, London*  
 September 4-12                      Space 430 sq. ft.                      Attendance 75,000  
 Firms participating 14  
 Products: Packaging machines and materials
  
17. *Strasbourg Trade Fair*  
*Strasbourg, France*  
 September 5-16                      Space 430 sq. ft.                      Attendance 900,000  
 A trade information booth
  
18. *7th National Convention on Military Electronics*  
*Washington, D.C.*  
 September 9-11                      Space 264 sq. ft.                      Attendance 3,000  
 Firms participating 6  
 Products: Electronic devices of military significance.
  
19. *Universal Food and Luxury Exhibition (ANUGA)*  
*Cologne, Germany*  
 September 21-29                      Space 2,112 sq. ft.                      Attendance 244,300  
 Firms participating 14 plus composite exhibit  
 Products: Frozen and processed foods.

20. *Marseilles International Trade Fair*  
*Marseilles, France*  
 September 19-30                      Space 430 sq. ft.                      Attendance 1,600,000  
 A trade information booth
  
21. *Marine Trade Exhibition and Conference*  
*McCormick Place, Chicago*  
 September 26-29                      Space 3,500 sq. ft.                      Attendance 360,000  
 Firms participating 12  
 Products: Boats, accessories and marine supplies
  
22. *Modern Homes Exhibition*  
*Kelvin Hall, Glasgow*  
 October 2-19                      Space 1,800 sq. ft.                      Attendance 253,000  
 Firms participating 11  
 Products: Heating equipment, hardware, building materials, household goods
  
23. *Dallas International Trade Fair*  
*Dallas, Texas*  
 October 5-20                      Space 3,000 sq. ft.                      Attendance 2,906,446  
 Firms participating 12  
 Products: Consumer goods
  
24. *European Lumber Shows*  
 A 10 ft. portable lumber display was produced and shown at the following:  
 (a) Brussels, October 14-21  
 (b) The Hague, October 28-November 4  
 (c) Athens, November 18-19  
 (d) Hamburg, December 2-9
  
25. *Metals and Materials Show*  
*Cleveland Public Auditorium, Cleveland*  
 October 21-25                      Space 2,816 sq. ft.                      Attendance 22,021  
 Firms participating 11  
 Products: Processing, fabricating, metal production and casting, nuclear equipment and supplies.
  
26. *National Lumber and Building Material Dealers Exposition*  
*McCormick Place, Chicago*  
 November 2-4                      Space 600 sq. ft.                      Attendance 26,000  
 A two storey structure illustrated use of Canadian lumber, plywood and wood products.
  
27. *National Hotel and Motel Exposition*  
*Coliseum, New York*  
 November 11-14                      Space 3,670 sq. ft.                      Attendance 61,296  
 Firms participating 19  
 Products: Hotel furnishings and supplies
  
28. *Canadian Solo Trade Fair*  
*Sheraton Hotel, Philadelphia*  
 November 11-16                      Space 27,000 sq. ft.                      Attendance 86,000  
 Firms participating 105  
 Products: Consumer goods
  
29. *International Building Exhibition—Timber Section*  
*Olympia, London*  
 November 13-27                      Space 1,496 sq. ft.                      Attendance 250,000  
 Firms participating 9  
 Products: Lumber and building materials.

30. *International Building Exhibition—Hardware Section*  
*Olympia, London*  
 November 13-27                      Space 1,325 sq. ft.                      Attendance 250,000  
 Firms participating 9  
 Products: Heating, plumbing and building hardware.
31. *29th Exposition Chemical Industries*  
*Coliseum, New York*  
 December 2-6                      Space 220 sq. ft.                      Attendance 26,826  
 Information exhibit illustrated Canadian industry potential for supplying equipment and engineering services to United States chemical industry.
32. *National Association of Homebuilders*  
*McCormick Place, Chicago*  
 December 11-15                      Space 400 sq. ft.                      Attendance 30,439  
 Display prepared for National Lumber and Building Materials Dealers Exposition.

## Part II—Projects by other Departments of the Federal Government and Government Corporations

1. *Poznan International Trade Fair*  
*Poznan, Poland*  
 June 9-23                      Space 2,776 sq. ft.                      Attendance 800,000  
 The theme "Electricity for Better Living" was illustrated by electrical equipment and accessories from 35 companies.
2. *International Bureau of Education*  
*Palais Wilson, Geneva*  
 New exhibit on education in Canada was installed in permanent space.
3. *6th World's Petroleum Congress*  
*Frankfurt, Germany*  
 June 19-26  
 Display on "Northern Oil Resources" produced on behalf of the Department of Mines and Technical Services.
4. *German Industries Fair*  
*Berlin*  
 October 12-27                      Space 1,613 sq. ft.                      Attendance 329,300  
 The products of 9 firms illustrated the Canadian Electronics Industry.
5. *Atomic Energy of Canada Limited*  
 Two displays were produced on radiation for showing in Milwaukee and Chicago.
6. *Central Mortgage and Housing Corporation*  
 A display on Canadian architects was produced and shipped to Havana for the 7th Congress of the International Union of Architects, September 29-October 3.
7. *Canadian Government Travel Bureau*  
 4 Window displays were produced for London, England.  
 3 Window displays were produced for New York and 3 for Chicago.

## Part III—Domestic Events

1. *National Canadian Samples Show*  
*Automotive Building, C.N.E., Toronto*  
 April 2-4                      Space 50,000 sq. ft.  
 Facilities were rented from Toronto firms and installed to accommodate 386 exhibitors. Buyers were flown in from the United States and Europe. The show was open to Canadian buyers one day.



2. *Second Export Trade Promotion Conference*  
*Ottawa*  
April 16-May 3  
Miscellaneous services rendered.
3. *Nuclear Museum*  
*Elliot Lake, Ontario*  
Appropriate material to illustrate the mining and use of uranium was collected and displayed.
4. *Armed Forces Exhibit*  
*Canadian National Exhibition, Toronto*  
August 23-September 2    Overall area 100,842 sq. ft.    Attendance 3,000,000  
   Indoor space 7,000 sq. ft.  
A new pavilion (Butler Building) was erected and a large scale exhibit installed. Heavy service equipment and service demonstration occupied the open area.
5. *National Design Branch*  
*Department of Industry*  
A number of displays were produced for showing in various centres in Canada including the new Design Centre scheduled to open in early 1964 in Toronto.
6. *Atomic Energy of Canada Limited*  
Four displays were produced for showing in various centres in Canada.
7. *Central Mortgage and Housing Corporation*  
Three displays were produced for showing in various centres in Canada.
8. *Department of Fisheries*  
Several displays were produced including a 200 foot unit for touring various shows on the East Coast.

## Appendix "D"

### Location of Canadian Government Travel Bureau Offices Abroad

as of December 31, 1963

#### **Britain**

Canadian Government Travel Bureau,  
19 Cockspur Street,  
LONDON, S.W. 1,  
ENGLAND.

#### **United States**

Canadian Government Travel Bureau,  
680 Fifth Avenue,  
NEW YORK, New York—10019.

Canadian Government Travel Bureau,  
102 West Monroe Street,  
(Corner Clark Street),  
CHICAGO, Illinois—60603.

Canadian Government Travel Bureau,  
1 Second Street (Corner Market St.),  
SAN FRANCISCO, California—94105.

## Appendix "E"

### Location of Trade Commissioner Service Offices Abroad

as at December 31, 1963

The 65 overseas posts were located in the following territories,  
at the centers indicated:

<b>Argentina</b> Buenos Aires	<b>Greece</b> Athens	<b>Peru</b> Lima
<b>Australia</b> Canberra Melbourne Sydney	<b>Guatemala</b> Guatemala City	<b>Philippines</b> Manila
<b>Austria</b> Vienna	<b>Hong Kong</b>	<b>Portugal</b> Lisbon
<b>Belgium</b> Brussels	<b>India</b> Bombay New Delhi	<b>Rhodesia and Nyasaland</b> Salisbury
<b>Brazil</b> Rio de Janeiro Sao Paulo	<b>Iran</b> Tehran	<b>South Africa</b> Cape Town Johannesburg
<b>Britain</b> Belfast Glasgow Liverpool London	<b>Ireland</b> Dublin	<b>Spain</b> Madrid
<b>Ceylon</b> Colombo	<b>Israel</b> Tel Aviv	<b>Sweden</b> Stockholm
<b>Chile</b> Santiago	<b>Italy</b> Milan Rome	<b>Switzerland</b> Berne
<b>Colombia</b> Bogota	<b>Jamaica</b> Kingston	<b>Trinidad-Tobago</b> Port-of-Spain
<b>Cuba</b> Havana	<b>Japan</b> Tokyo	<b>Union of Soviet Socialist Republics</b> Moscow
<b>Denmark</b> Copenhagen	<b>Lebanon</b> Beirut	<b>United Arab Republic</b> Cairo
<b>Dominican Republic</b> Santo Domingo	<b>Malaysia</b> Singapore	<b>United States</b> Boston Chicago Detroit Los Angeles New Orleans New York Philadelphia Washington
<b>France</b> Paris	<b>Mexico</b> Mexico City	<b>Uruguay</b> Montevideo
<b>Germany</b> Bonn Duesseldorf Hamburg	<b>Netherlands</b> The Hague	<b>Venezuela</b> Caracas
<b>Ghana</b> Accra	<b>New Zealand</b> Wellington	
	<b>Nigeria</b> Lagos	
	<b>Norway</b> Oslo	
	<b>Pakistan</b> Karachi	

(Complete details of mail and cable addresses, the names of the officers at the posts, and the territories covered by each office are published once a month in the Department's fortnightly magazine Foreign Trade).

## Appendix "F"

# CANADIAN TRADE MISSIONS 1963

### Outgoing Missions

#### **Automotive Parts Trade Mission to Europe—June 1 to June 23, 1963.**

France, Germany and Britain.

9 members representing Canadian auto parts manufacturers, the Automobile Parts Manufacturing Association and a representative of Labour.

The mission reported on the current and long term market opportunities in Europe for Canadian sources of motor vehicle parts.

#### **Machinery Manufacturers Mission to the United States—June 2 to June 14, 1963.**

Chicago and Detroit.

6 members consisting of senior personnel of Canadian machinery manufacturing firms located in Eastern, Central and Western Canada met with selected U.S. manufacturers to promote greater use of licensing arrangements, as a method of increasing the production of industrial and other types of machinery in Canada.

#### **Technical Mission on Furniture Manufacture to Europe—June 7 to July 6, 1963.**

Britain, Denmark, Sweden, West Germany and Italy.

7 members visited furniture manufacturing plants, design schools and centres, associations, machinery and material supplying firms, to appraise trends and developments in these countries and relate European practices to needs and problems in different sectors of the Canadian industry.

#### **Poultry Trade Mission to Europe—September 8 to September 19, 1963.**

Britain, Germany and Switzerland.

4 members representing Canadian producers of eviscerated broiler chickens, turkeys, frozen and canned poultry meats, investigated European markets on behalf of the recently formed Canadian Quality Poultry Exports Limited, a producers' sales agency created to develop exports of Canadian poultry.

#### **Commercial and Institutional Equipment Mission to Europe—September 13 to October 13, 1963.**

Britain, West Germany, Italy and France.

6 members developed sales and examined the current and long term market possibilities in Europe for Canadian commercial and institutional food service, refrigeration, cooking and electrical floor maintenance equipment.

#### **Wooden Furniture Components Trade Mission to the United States—September 15 to October 5, 1963.**

Los Angeles, Chicago, High Point (North Carolina), New York.

7 manufacturers of wood turnings, furniture parts, glued-up stock and cut-to-size panels, developed substantial business and reported a large market potential.

#### **Tobacco Trade Mission to Eastern and Western Europe, and Israel—September 22 to October 25, 1963.**

Poland, Russia, Austria, Bulgaria and Israel.

5 members visited tobacco manufacturers and monopolies, including State Trading Corporations, to negotiate sales and establish business relationships for future sales of Canadian-grown flue-cured tobacco.



**Technical Mission on Furniture Manufacture to the United States—September 21 to October 5, 1963.**

New York, High Point (North Carolina), and Chicago.

8 members representing the Canadian furniture industry and retail distributors, studied American furniture marketing with a view to increasing the efficiency of the Canadian industry, and Canadian distribution.

**Steel and Steel Products Trade Mission to Latin America—October 5 to October 30, 1963.**

Venezuela, Chile, Argentina, and Uruguay.

8 members representing major steel and alloy producers in Canada, investigated the conditions and competition in these markets, and studied the short and longer term opportunities for trade in Canadian steel products.

**Trade Mission to the Caribbean—October 26 to November 14, 1963.**

Jamaica, Barbados and Trinidad.

16 members representing domestic and commercial appliances and kitchenware, text books and stationery, hardware and plastic products, developed new business in the islands, and reported on the trade prospects for appliances and consumer goods generally.

**Industrial Chemicals Trade Mission to Latin America—November 8 to December 1, 1963.**

Mexico, El Salvador, Guatemala, Peru and Chile.

8 members representing Canadian manufacturers of chemicals for use in secondary industry, promoted a wider knowledge of Canadian chemicals for export, developed sales, and reported on business prospects for chemicals in each country. Manufacturers of textiles, paints, synthetic detergents, food, matches, compressed gases, pharmaceuticals, batteries, plastics and rubber products.

**Communications and Electronics Products Trade Mission to the Middle East—November 8 to December 19, 1963.**

Britain, United Arab Republic, Lebanon, Saudi Arabia and Iran.

7 members from the Canadian telecommunications and electronics industry investigated the potential for the Canadian industry in telecommunications projects underway or planned, in these countries.

**Incoming Missions**

**Livestock Mission from Mexico—May 25 to June 9, 1963.**

5 members representing private Mexican and government livestock interests toured various farms and experimental stations in Southwestern Ontario and Western Canada, to study the quality of purebred dairy and beef cattle and other types of livestock available for export from Canada.

**Timber Housing Mission from Britain—June 1 to June 22, 1963.**

16 member group, representing British national and local housing authorities, builders' associations, and the timber trade, toured six cities and met with Canadian housing authorities, builders, architects and timber interests to appraise timber frame housing construction practices and other Canadian techniques and materials, for potential application in the construction of British housing.

**Livestock Mission from South Africa—August 9 to August 26, 1963.**

2 members, representing the Friesland Cattle Breeders Association of South Africa, inspected purebred Canadian Holstein-Friesian cattle and returned home with recommendations for introducing them into South Africa.

**Seed Potato Mission from Argentina—August 10 to August 17, 1963.**

2 agricultural experts were brought to Canada to investigate production, inspection, certification, grading and handling of Canadian seed potatoes with the object of consolidating and increasing our seed potato exports to this market. The visitors spent 7 days in New Brunswick and Prince Edward Island.

**Seed Potato Mission from Jamaica—August 24 to August 31, 1963.**

2 members, representing the Jamaican Government and private potato growers, visited seed potato farms and the potato research station in Fredericton, New Brunswick, to familiarize themselves with the high quality potatoes available for export from the Maritime province.

**Livestock Mission from Italy—November 15 to November 22, 1963.**

One member, representing the Italian Holstein Association, was brought to Canada to inspect the livestock on exhibit at the 1963 Royal Winter Fair and discuss possible exports of breeding stock to Italy.

**Tobacco Mission from Japan—November 18 to November 23, 1963.**

3 officials of the Japan Monopoly Corporation, the Japanese Government agency controlling the tobacco trade and manufacturing, were invited to visit tobacco growing sites in Ontario to acquaint them with the flue-cured tobacco industry, the available qualities and method of marketing Canadian tobacco. The group visited Southern Ontario, Ottawa and Montreal.

## Appendix "G"

### Tariff Arrangements in Force as at December 31, 1963

Canada's tariff arrangements with other countries fall into three main categories: trade agreements with a number of Commonwealth countries; the General Agreement on Tariffs and Trade (GATT); and other agreements and arrangements.

The Commonwealth countries with which Canada has trade agreements providing for exchange of preferential rates are: Australia, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Jamaica, the Leeward and Windward Islands, Trinidad, New Zealand and Britain and its dependent territories. Canada also exchanges preferences with Ceylon, the Federation of Malaya, Cyprus, and Sierra Leone and accords preferences to India, Pakistan, Ghana, Nigeria, Kenya, Tanganyika, Uganda and Zanzibar. These agreements have been modified and supplemented by the GATT. In addition, Canada has trade agreements with Ireland and South Africa under which preferences are exchanged.

Canada signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade on October 30, 1947, and brought the General Agreement into force on January 1, 1948. The Agreement provides for scheduled tariff concessions and the exchange of most-favoured-nation treatment among the contracting parties, and lays down rules and regulations to govern the conduct of international trade.

The membership of the GATT increased by 16 during 1963 and at the end of the year there were 60 full members. These countries and the dates of their accession are indicated in the table which follows. In addition, Switzerland, Tunisia, Argentina, Yugoslavia, and the United Arab Republic have acceded provisionally. The GATT is applied on a *de facto* basis to a number of newly independent States (Algeria, Burundi, Congo (Leopoldville), Mali, Rwanda, and Togo) pending final decisions as to their future commercial policy. Two other countries, Cambodia and Poland, while not members, participate in the work of the GATT.

Trade relations between Canada and a number of other countries are governed by trade agreements of various kinds, by exchange of most-favoured-nation treatment under Orders-in-Council, by continuation to newly independent states of the same treatment originally negotiated with the countries previously responsible for their commercial relations, and by even less formal arrangements.

Further particulars regarding tariff agreements and arrangements in force on December 31, 1963 may be summarized as follows:

# 1. Arrangements with Commonwealth Countries

Country	Agreement	Principal Terms
Australia .....	Trade Agreement signed Feb. 12, 1960, in force June 30, 1960.	Agreement includes schedules of tariff rates and exchange of British preferential rates on items not scheduled. May be terminated on six months' notice.
	GATT effective Jan. 1, 1948.	
Britain .....	Trade Agreement signed Feb. 23, 1937, effective Sept. 1, 1937; modified by exchanges of letters Nov. 16, 1938, and Oct. 20, 1947. GATT effective Jan. 1, 1948.	Various concessions are granted by each country including exchange of preferential tariff rates. The Agreement (as modified) includes provisions relating to the Colonies, Dependencies and Trustships.
British Caribbean ..... Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Leeward Islands, and Windward Islands.	Canada-British West Indies Trade Agreement signed July 6, 1925, in force Apr. 30, 1927; Canadian notice of termination of Nov. 23, 1938, was replaced by notice of Dec. 27, 1939, which continued the Agreement. Barbados, Bermuda, British Guiana, British Honduras, the Leeward Islands, and Windward Islands, participate in GATT.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Ceylon .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective July 29, 1948.	Canada and Ceylon exchange preferential tariff treatment.
Cyprus .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Aug. 16, 1960.	Canada exchanges preferential treatment with Cyprus.
Ghana .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Oct. 18, 1957.	Canada accords British preferential treatment to Ghana, (except on cocoa beans). Exchange of most-favoured-nation treatment.



Country	Agreement	Principal Terms
India .....	Since 1897 Canada has unilaterally accorded British preferential treatment without contractual obligation. GATT effective July 8, 1948	Canada accords British preferential treatment to India.  Exchange of most-favoured-nation treatment.
Jamaica .....	Relations continue to be governed by Canada-West Indies Trade Agreement (See British Caribbean). GATT effective Aug. 6, 1962.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Kenya .....	Relations continue to be governed by Trade Agreement of 1937 with Britain.	Canada accords British preferential treatment to Kenya.
Malaysia .....	Relations continue to be governed by Trade Agreement of 1937 with Britain.	Canada and Malaysia exchange preferential tariff treatment.
New Zealand .....	Trade agreement signed Apr. 23, 1932; in force May 24, 1932.  GATT effective July 26, 1948.	The parties exchange specific preferences on scheduled goods and reciprocally concede British preferential rates on items not scheduled. May be terminated on six months' notice.
Nigeria, Federation of ....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective Oct. 1, 1960.	Canada accords British preferential treatment to Nigeria.  Exchange of most-favoured nation treatment.
Pakistan .....	Canada unilaterally accords British preferential treatment without contractual obligation. GATT effective July 30, 1948.	Canada accords British preferential treatment to Pakistan.  Exchange of most-favoured-nation treatment.
Sierra Leone .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective April 27, 1961.	Canada and Sierra Leone exchange preferential tariff treatment.
Tanganyika .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective December 9, 1961.	Canada accords British preferential treatment to Tanganyika.  Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Trinidad .....	Relations continue to be governed by Canada-West Indies Trade Agreement (See British Carriibbean). GATT effective Aug. 31, 1962.	The parties exchange specified tariff preferences. Agreement may be terminated on six months' notice.
Uganda .....	Relations continue to be governed by Trade Agreement of 1937 with Britain. GATT effective October 9, 1962.	Canada accords British preferential treatment to Uganda. Exchange of most-favoured-nation treatment.
Zanzibar .....	Relations continue to be governed by Trade Agreement of 1937 with Britain.	Canada accords British preferential treatment to Zanzibar.

## 2. Arrangements with Non-Commonwealth Countries

Algeria .....	Franco - Canadian Trade Agreement of 1933 applied to Algeria. Algeria maintains a de facto application of the GATT.	Since the creation of Algeria as an independent state in 1962, Canada has continued to grant most-favoured - nation treatment.
Argentina .....	Trade Agreement signed Oct. 2, 1941; provisionally in force Nov. 15, 1941. Argentina has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. Provisional application may be terminated on three months' notice.
Austria .....	GATT effective October 19, 1951.	Exchange of most-favoured-nation treatment.
Belgium-Luxembourg ....	Convention of Commerce with the Belgium-Luxembourg Economic Union (including Belgian colonies) entered into effect Oct. 22, 1924. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Benelux (Belgium-Netherlands-Luxembourg Customs Union)	See Belgium - Luxembourg and Netherlands.	
Bolivia .....	Order in Council of July 20, 1935, accepted Article 15 of the United Kingdom-Bolivia Treaty of Commerce of Aug. 1, 1911.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Brazil .....	Trade Agreement signed Oct. 17, 1941; provisionally in force from date of signing and definitively on Apr. 16, 1943. GATT effective July 31, 1948.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Bulgaria .....	Trade Agreement signed Oct. 8, 1963; provisionally in force from date of signing.	Exchange of most-favoured-nation treatment and undertaking by Bulgaria to purchase a minimum of 300,000 metric tons of wheat or equivalent in flour during the three years validity of the Agreement. Bulgaria may buy an additional 150,000 metric tons of wheat if available in crop year 1963/64.
Burma .....	GATT effective July 29, 1948.	Exchange of most-favoured-nation treatment.
Burundi .....	Burundi maintains a de facto application of the GATT.	Canada grants most-favoured-nation treatment.
Cambodia .....	Franco - Canadian Trade Agreement of 1933 applied to Cambodia. Although not yet a full member, Cambodia takes part in the work of the GATT under a special arrangement.	Since the creation of Cambodia as an independent state in 1955, Canada has continued to grant most-favoured - nation treatment.
Cameroun .....	Franco - Canadian Trade Agreement of 1933 applied to Cameroun. GATT effective Nov. 28, 1960.	Exchange of most-favoured-nation treatment.
Central African Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Central African Republic. GATT effective Aug. 14, 1960.	Exchange of most-favoured-nation treatment.
Chad .....	Franco - Canadian Trade Agreement of 1933 applied to Chad. GATT effective Aug. 11, 1960.	Exchange of most-favoured-nation treatment.
Chile .....	Trade Agreement signed Sept. 10, 1941; in force provisionally Oct. 15, 1941, and definitively on Oct. 29, 1943. GATT effective Mar. 16, 1948.	Exchange of most-favoured-nation treatment.
China .....	Modus vivendi signed Sept. 26, 1946, covers the territory of China and Taiwan.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.

Country	Agreement	Principal Terms
Colombia .....	Treaty of Commerce with Britain of Feb. 16, 1866, applies to Canada. Modified by protocol of Aug. 20, 1912 and exchange of notes Dec. 30, 1938.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Congo (Brazzaville) .....	Franco - Canadian Trade Agreement of 1933 applies to Congo (Brazzaville). GATT effective August 15, 1960.	Exchange of most-favoured-nation treatment.
Congo (Leopoldville) ....	Belgo-Canadian Convention of Commerce of 1924 applied to the Congo (Leopoldville). Congo (Leopoldville) maintains a de facto application of the GATT	Since the Congo's independence in 1960, Canada has continued to grant most-favoured-nation treatment.
Costa Rica .....	Modus vivendi signed Nov. 18, 1950; brought into force Jan. 26, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Cuba .....	GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment.
Czechoslovakia .....	Convention of Commerce signed Mar. 15, 1928; in force Nov. 14, 1928.  GATT effective May 21, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Dahomey .....	Franco - Canadian Trade Agreement of 1933 applied to Dahomey. GATT effective Aug. 1, 1960.	Exchange of most-favoured-nation treatment.
Denmark (including Greenland) .....	Treaties of Peace and Commerce with Britain of Feb. 13, 1660, and July 11, 1670, apply to Canada.  GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment. Declaration of May 9, 1912, provides means for separate termination by Dominions on one year's notice.
Dominican Republic .....	Trade Agreement signed Mar. 8, 1940; in force Jan. 22, 1941. GATT effective May 19, 1950.	Exchange of most-favoured-nation treatment including scheduled concessions.



Country	Agreement	Principal Terms
Ecuador .....	Modus vivendi signed Nov. 10, 1950; in force Dec. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Egypt .....	(See United Arab Republic)	
El Salvador .....	Exchange of notes of Nov. 2, 1937; in force Nov. 17, 1937.	Exchange of most-favoured-nation treatment. May be terminated on four months' notice.
Ethiopia .....	Exchange of notes effective June 3, 1955.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Finland .....	Exchange of notes of Nov. 13-17, 1948; effective Nov. 17, 1948. GATT effective May 25, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
France and French overseas territories ....	Trade Agreement signed May 12, 1933; in force June 10, 1933. Exchange of notes of Sept. 29, 1934, and additional protocol of Feb. 26, 1935. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment including scheduled concessions. May be terminated on three months' notice.
Gabon .....	Franco - Canadian Trade Agreement of 1933 applied to Gabon. GATT effective Aug. 17, 1960.	Exchange of most-favoured-nation treatment.
Germany, Federal Republic of .....	GATT effective October 1, 1951.	Exchange of most-favoured-nation treatment.
Greece .....	Modus vivendi by exchange of notes of July 24-28, 1947.  GATT effective Mar. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Greenland .....	See Denmark.	
Guatemala .....	Trade Agreement signed Sept. 28, 1937; in force Jan. 14, 1939.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Guinea .....	Franco - Canadian Trade Agreement of 1933 applied to Guinea.	Since creation of Guinea as independent state in 1958, Canada has continued to grant most-favoured-nation treatment.

Country	Agreement	Principal Terms
Haiti .....	Trade Agreement signed Apr. 23, 1937; in force Jan. 10, 1939. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment.
Honduras .....	Exchange of Notes signed July 11, 1956, effective July 18, 1956. Ratified in Honduras Sept. 5, 1956.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Iceland .....	Although there is no contractual obligation, Canada and Iceland adhere to the terms of a treaty originally concluded between Denmark and Britain on Feb. 13, 1660.	Exchange of most-favoured-nation treatment.
Indonesia .....	GATT effective Mar. 1, 1948.	Exchange of most-favoured-nation treatment.
Iran .....	Special arrangement by Order in Council effective Feb. 1, 1951. Iran accorded m.f.n. treatment from Sept. 5, 1956.	Canada grants most-favoured-nation tariff rates as long as Iran accords reciprocal treatment.
Iraq .....	Special arrangement by Order in Council effective Sept. 15, 1951.	Exchange of most-favoured-nation tariff treatment.
Ireland .....	Trade Agreement signed Aug. 20, 1932; in force Jan. 2, 1933.	Canada grants British preferential tariff in return for preferential rates where such exist and for most-favoured-nation rates on non - preferential items. May be terminated on six months' notice.
Israel .....	Canada - United Kingdom Agreement of 1937 continued to apply to the State of Israel after its foundation, May, 1948. GATT effective July 5, 1962.	Exchange of most-favoured nation treatment. May be terminated on three months' notice.
Italy .....	Modus vivendi by exchange of notes of Apr. 23-28, 1948; effective Apr. 28, 1948. GATT effective Jan. 1, 1950.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Ivory Coast .....	Franco - Canadian Trade Agreement of 1933 applied to Ivory Coast. GATT effective Aug. 7, 1960.	Exchange of most-favoured-nation treatment.

Country	Agreement	Principal Terms
Japan .....	Agreement on Commerce signed Mar. 31, 1954; effective June 7, 1954. GATT effective Sept. 10, 1955.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Kuwait .....	Canada - United Kingdom Agreement of 1937 applied to Kuwait as British Protectorate. GATT effective June 18, 1961.	Since independence of Kuwait in June 1961, Canada has continued to accord most-favoured-nation treatment.
Laos .....	Franco - Canadian Trade Agreement of 1933 applied to Laos.	Since the creation of Laos as an independent state in 1955, Canada has continued to grant most-favoured-nation treatment.
Lebanon .....	Special arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Lebanon accords reciprocal treatment.
Liberia .....	Special arrangement by Order in Council effective Mar. 1, 1955.	Canada grants most-favoured-nation treatment.
Liechtenstein .....	See Switzerland.	
Luxembourg .....	See Belgium-Luxembourg.	
Malagasy Republic .....	Franco - Canadian Trade Agreement of 1933 applied to Malagasy Republic. GATT effective June 25, 1960.	Exchange of most-favoured-nation treatment.
Mali, Federation of .....	Franco - Canadian Trade Agreement of 1933 applied to Mali. Mali maintains a de facto application of the GATT.	Since the creation of Mali as an independent state in 1960, Canada has continued to grant most-favoured-nation treatment.
Mauritania .....	Franco - Canadian Trade Agreement of 1933 applied to Mauritania. GATT effective Nov. 28, 1960.	Exchange of most-favoured-nation treatment.
Mexico .....	Trade Agreement signed Feb. 8, 1946; in force provisionally same date. Ratifications exchanged on May 6, 1947; definitively in force 30 days from that date.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.

Country	Agreement	Principal Terms
Morocco .....	Various agreements relating to former French, Spanish and International Zones of Morocco.	Since the creation of Morocco as an independent state in 1956, Canada has continued to grant most-favoured-nation treatment.
Netherlands .....	Convention of Commerce of July 11, 1924. Suspended during war, reinstated by exchange of notes Feb. 1 and 5, 1946. Includes Netherlands Antilles and Surinam. GATT effective Jan. 1, 1948.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.
Nicaragua .....	Trade Agreement signed Dec. 19, 1946; in force provisionally same date. GATT effective May 28, 1950.	Exchange of most-favoured-nation treatment.
Niger .....	Franco - Canadian Trade Agreement of 1933 applied to Niger. GATT effective Aug. 3, 1960.	Exchange of most-favoured-nation treatment.
Norway .....	Convention of Commerce and Navigation with United Kingdom of Mar. 18, 1826, applied to Canada.  GATT effective July 10, 1948.	Exchange of most-favoured-nation treatment. Convention of May 16, 1913, provides means for separate termination by Dominions on one year's notice.
Panama .....	Order in Council of July 20, 1935, accepted Article 12 of United Kingdom-Panama Treaty of Commerce of Sept. 25, 1928. Treaty terminated in 1942.	While contractual obligation has expired, Canada and Panama continue to exchange most-favoured-nation treatment.
Paraguay .....	Exchanges of notes on May 21, 1940; in force June 21, 1940.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Peru .....	GATT effective Oct. 8, 1951.	Exchange of most-favoured-nation treatment.
Philippines .....	No agreement.	Canada and Philippines continue to exchange most-favoured-nation treatment (excluding preferences accorded by the Philippines to the United States) without contractual obligation.



Country	Agreement	Principal Terms
Poland .....	Convention of Commerce signed July 3, 1935; in force Aug. 15, 1936.	Exchange of most-favoured-nation treatment including scheduled reductions. May be terminated on three months' notice.
Portugal, Portuguese adjacent islands and Portuguese overseas provinces	Trade Agreement signed May 28, 1954, provisionally in effect July 1, 1954, definitively in force on ratification Apr. 29, 1955. GATT effective May 6, 1962.	Exchange of most-favoured-nation treatment. Remains in effect for two years from ratification and thereafter unless terminated on three months' notice.
Rwandi .....	Rwandi maintains a de facto application of the GATT	Canada grants most-favoured-nation treatment.
Senegal .....	Franco - Canadian Trade Agreement of 1933 applied to Senegal. GATT effective June 20, 1960.	Exchange of most-favoured-nation treatment.
South Africa .....	Trade Agreement signed August 20, 1932; in force October 13, 1932.  Exchange of notes August 2-31, 1935; effective retroactively from July 1, 1935. GATT effective June 14, 1948.	Exchange of British preferential rates on scheduled items. May be terminated on six months' notice.  Exchange of most-favoured-nation treatment. May be terminated on six months' notice.
Spain and Spanish possessions .....	Since Aug. 1, 1928, Canada has adhered to the United Kingdom-Spain Treaty of Commerce of Oct. 31, 1922.  Trade Agreement signed May 26, 1954, provisionally in effect July 1, 1954, definitively in force on ratification, June 30, 1955. GATT effective 29 August, 1963.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.  Supplements and amends United Kingdom - Spain Treaty of Commerce. Remains in effect for three years from ratification, and thereafter unless terminated on three months' notice.
Sweden .....	United Kingdom - Sweden Convention of Commerce and Navigation of Mar. 18, 1826, applies to Canada.  GATT effective May 1, 1950.	Exchange of most-favoured-nation treatment. Declaration of Nov. 27, 1911, provides means for separate termination by Dominions on one year's notice.

Country	Agreement	Principal Terms
Switzerland .....	United Kingdom - Switzerland Treaty of Friendship, Commerce and Reciprocal Establishment of Sept. 6, 1855, applies to Canada. By exchange of notes Liechtenstein included under terms of this agreement effective July 14, 1947. Switzerland has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. Convention of Mar. 30, 1914, provides means for separate termination by Dominions on one year's notice.
Syrian Arab Republic ....	Special Arrangement by Order in Council of Nov. 19, 1946.	Canada grants most-favoured-nation tariff rates as long as Syria accords reciprocal treatment.
Togo .....	Franco - Canadian Trade Agreement of 1933 applied to Togo. Togo maintains a de facto application of the GATT	Since the creation of Togo as an independent state in 1960, Canada has continued to grant most-favoured-nation treatment.
Tunisia .....	Franco - Canadian Trade Agreement of 1933 applied to Tunisia.  Tunisia has acceded to the GATT provisionally.	Since the creation of Tunisia as an independent state in 1956, Canada has continued to grant most-favoured-nation treatment.
Turkey .....	Exchange of notes signed Mar. 1, 1948; in effect Mar. 15, 1948.  GATT effective Oct. 17, 1951.	Exchange of most-favoured-nation treatment. May be terminated on three months' notice.
Union of Soviet Socialist Republics .....	Trade Agreement signed Feb. 29, 1956, renewed for another three years April 18, 1960 and again for the same period on Sept. 16, 1963 by a protocol which provisionally entered into force on the same date (the extension to be valid from April 18, 1963).	Exchange of most-favoured-nation treatment and undertaking by USSR to purchase a minimum of 6,375,000 long tons of wheat and flour during the three year period of validity of the extended agreement.
United Arab Republic (Egypt) .....	Exchange of notes Nov. 26 and Dec. 3, 1952 in force Dec. 3, 1952. The United Arab Republic has acceded provisionally to the GATT.	Exchange of most-favoured-nation treatment. May be terminated on six months' notice.

Country	Agreement	Principal Terms
United States .....	Trade Agreement signed Nov. 17, 1938, suspended as long as both countries continue to be contracting parties to GATT. GATT effective Jan. 1, 1948.	Most-favoured-nation treatment exchanged.
Upper Volta .....	Franco - Canadian Trade Agreement of 1933 applied to Upper Volta. GATT effective August 5, 1960.	Exchange of most-favoured-nation treatment.
Uruguay .....	Trade Agreement signed Aug. 12, 1936, in force May 15, 1940. Additional Protocol signed Oct. 19, 1953. GATT effective Dec. 16, 1953.	Most-favoured-nation treatment.
Venezuela .....	Modus vivendi signed and brought into force Oct. 11, 1950.	Exchange of most-favoured-nation treatment. Made for one year subject to annual renewal.
Vietnam .....	Franco - Canadian Trade Agreement of 1933 applied to Vietnam.	Since the creation of Vietnam as an independent state in 1955, Canada has continued to accord most-favoured-nation rates.
Yugoslavia .....	Trade Agreements Act of June 11, 1928, accepted Article 30 of United Kingdom - Serb - Croat - Slovene Treaty of Commerce and Navigation of May 12, 1927; in force Aug. 9, 1928. Yugoslavia has acceded to the GATT provisionally.	Exchange of most-favoured-nation treatment. May be terminated on one year's notice.

## Appendix "H"

### Legislation Administered by the Department of Trade and Commerce

1. Legislation for which the Department is administratively responsible
  - Department of Trade and Commerce Act
  - Electricity Inspection Act
  - Export Act
  - Export and Import Permits Act
  - Gas Inspection Act
  - National Trade Mark and True Labelling Act
  - Precious Metals Marking Act
  - Weights and Measures Act
2. Other Legislation, reported to Parliament through the Minister of Trade and Commerce
  - Canadian Wheat Board Act
  - Corporations and Labour Unions Returns Act
  - Export Credits Insurance Act
  - National Design Council Act
  - National Energy Board Act
  - National Productivity Council Act
  - Northern Ontario Pipe Line Crown Corporation Act
  - Statistics Act



## Appendix "I"

### Distribution of Departmental Staff as at December 31, 1963

	1962	1963
Administration Branch .....	209	183
Agriculture and Fisheries Branch .....	25	26
Canadian Government Exhibition Commission .....	82	119
Canadian Government Travel Bureau .....	99	109
Commodities Branch .....	61	64
Economics Branch .....	40	40
*Industrial Design Branch .....	6	
*Industrial Promotion Branch .....	43	
Office of Trade Relations and Trade Policy ....	59	53
*Small Business Branch .....	13	
Standards Branch .....	420	440
Trade Commissioner Service .....	572	608
Trade Fairs and Missions Branch .....	12	15
Trade Publicity Branch .....	34	36
Trade Services Branch .....	49	50
	<hr/> 1,724	<hr/> 1,743
In addition to the above:		
Dominion Bureau of Statistics .....	1,795	2,203
	<hr/> 3,519	<hr/> 3,946
	<hr/> <hr/>	<hr/> <hr/>

\* These Branches were transferred to Department of Industry effective October 1, 1963.

## Appendix "J"

### Department of Trade and Commerce Statements of Departmental Expenditure and Revenue

#### 1. Statement of Expenditure for the Fiscal Years 1961-62 and 1962-63

ORDINARY	1962-63	1961-62
Minister's Salary and Motor Car Allowance .....	\$ 17,000	\$ 17,000
General Administration		
Departmental Administration .....	4,454,090	3,630,537
Trade Commissioner Service		
Administration and Operation .....	5,534,217	4,985,911
Construction or Acquisition of Buildings, Land, Equipment and Furnishings .....	46,020	169,756
Exhibitions		
Exhibitions Branch .....	1,372,427	1,461,563
Standards Branch .....	2,931,664	2,703,535
Dominion Bureau of Statistics		
Continuing Operations .....	10,793,115	12,418,978
Expenses in connection with the 1958 Survey of Farm Income and Expenditure .....	22,054	12,945
Expenses in connection with the 1961 Decennial Census of Canada .....	1,067,371	12,189,487
Canadian Government Travel Bureau .....	3,341,428	2,974,851
TOTAL .....	<u>\$29,579,386</u>	<u>\$40,564,563</u>
SPECIAL		
Pensions and Other Benefits to former locally engaged employees of offices abroad .....	3,733	4,051
Gratuities to Families of Deceased Employees .....		\$ 800
	<u>\$ 3,733</u>	<u>\$ 4,851</u>
TOTAL .....	<u>\$29,583,119</u>	<u>\$40,569,414</u>

#### 2. Statement of Revenue for the Fiscal Years 1961-62 and 1962-63

	1962-63	1961-62
Weights and Measures Inspection Services .....	\$ 1,080,799	\$ 1,087,598
Electricity and Gas Inspection Services .....	1,012,161	959,487
Eldorado Mining and Refining Limited, (Dividends on Shares) .....	3,000,000	5,000,000
Refund of Previous Years' Expenditure .....	1,230,201	
Northern Ontario Pipe Line Crown Corporation—		
Interest on Loans .....	4,086,613	4,310,142
Export Credits Insurance Corporation—Interest on loans	578,457	
Excess of premiums over amount required to meet expenses and overhead arising out of insurance contracts entered into under Section 21 of the Export Credits Insurance Act .....	560,796	800,800
Miscellaneous .....	143,445	67,538
TOTAL .....	<u>\$11,692,472</u>	<u>\$12,225,565</u>

## Appendix "K"

### Directory of Boards, Crown Companies and Agencies

Reporting to Parliament through the Minister of Trade and Commerce

*Canadian Wheat Board*

423 Main St., Winnipeg 2, Manitoba

Chief Commissioner, W. C. McNamara

*Dominion Bureau of Statistics*

Tunney's Pasture, Holland Ave., Ottawa, Ontario

Dominion Statistician, W. E. Duffett

*Eldorado Aviation Limited*

Hangar No. 11, Municipal Airport, Edmonton, Alberta

President A. B. Caywood

*Eldorado Mining and Refining Company Limited*

Kent Bldg., 150 Kent St., Ottawa, Ontario

President, W. M. Gilchrist

*Export Credits Insurance Corporation*

Halifax Bldg., 309 Cooper St., P.O. Box 633, Ottawa, Ontario

President and General Manager, H. T. Aitken

*National Design Council*

Trade and Commerce Bldg., Wellington St., Ottawa, Ontario

Chairman, John C. Parkin

*National Energy Board,*

Colonel By Towers, 969 Bronson Ave., Ottawa, Ontario

Chairman, Ian N. McKinnon

*National Productivity Council*

Trade and Commerce Bldg., Wellington St., Ottawa, Ontario

Chairman, H. George DeYoung

*Northern Ontario Pipe Line Crown Corporation*

No. 2 Temp. Bldg., 70 Lyon St., Ottawa, Ontario

President, James A. Roberts

*Northern Transportation Company Limited*

Kent Bldg., 150 Kent St., Ottawa, Ontario

President, W. M. Gilchrist

The activities of these organizations are described in their respective annual reports.

## Appendix "L"

### Export Credits Insurance Corporation

The Corporation, a Crown Company whose chairman is the Deputy Minister of Trade and Commerce, issues its own annual report which is presented to Parliament by the Minister of Trade and Commerce. Thus, while not part of the Department, the following details of the Corporation's activities are given here because, in the field of trade promotion, they are closely related to those of the Department.

The Corporation operates in two main fields: export credits *insurance* and long term export *financing*.

#### Export Credits Insurance

The Corporation provides insurance at an appropriate premium to Canadian exporters of consumer goods, capital goods, and engineering, construction, technical, or similar services, to protect them against non-payment by foreign buyers because of credit and political risks involved in foreign trade. Policies issued under Section 14 of the Export Credits Insurance Act, which authorizes a maximum liability of \$200 million, are at the Corporation's risk, and the liability of the Corporation as at December 31, 1963, in respect of these Policies was \$87 million.

Section 21 of the Act provides that the Governor in Council may authorize the Corporation to enter into a contract of insurance where the Board is of the opinion that the proposed contract of insurance would impose upon the Corporation a liability for a term or in an amount in excess of that which the Corporation would normally undertake in relation to any one contract, exporter, commodity, or country, and in the opinion of the Minister it is in the national interest that the proposed contract be entered into. Policies issued under Section 21, which authorizes a maximum liability of \$400 million, are at the risk of the Consolidated Revenue Fund and the liability under such Policies at December 31, 1963, was \$207 million. Analysis by countries of actual risks underwritten during 1963 appears on pp. 95-97.

#### Long Term Export Financing

Under Section 21A of the Act the Corporation may, with the authority of the Governor in Council, provide long term financing for export sales of capital goods up to a total of \$300 million.

The guiding rules that determine the eligibility of transactions for long term financing are that the extended credit terms (beyond five years) are



clearly necessary and justifiable; that the transaction gives promise of continuing export trade; that the Canadian content is not less than 80 percent; that the transaction gives rise to significant employment and industrial benefits in Canada; that the export transaction is substantial in value; and that the foreign buyer and country of purchase have a satisfactory credit standing.

To December 31, 1963, contracts had been signed covering \$147 million of capital goods to be exported. Details are given in the schedule on pp. 98-99.

### Analysis by Countries of Actual Risks Underwritten During 1963

<i>Country Commonwealth</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
Aden .....	\$	\$ 63
Australia .....		6,025,468
Bermuda .....		330,616
British East Africa .....		101,405
British Guiana .....		847,968
British Honduras .....		76,274
British Oceania .....		895
British West Indies .....		4,613,828
Ceylon .....		24,369
Cyprus .....		4,348
Fiji Islands .....		20,194
Ghana .....		471,087
Gibraltar .....		47
Hong Kong .....		449,945
India .....		160,040
Jamaica .....		2,160,708
Malaysia .....		202,816
Malta .....		11,629
Mauritius .....		17,394
New Zealand .....		3,653,358
Nigeria .....		69,141
Pakistan .....		6,826
Rhodesia and Nyasaland .....		541,284
Sierra Leone .....		75,702
Trinidad and Tobago .....		1,164,258
United Kingdom .....		13,137,213
<b>TOTAL COMMONWEALTH COUNTRIES .....</b>	<b>\$</b>	<b>\$34,166,876</b>

# Analysis by Countries of Actual Risks Underwritten During 1963

<i>Country Foreign</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
Arabia .....	\$	\$ 4,849
Argentina .....		3,018,434
Austria .....		546,759
Belgium .....		1,158,645
Bolivia .....		163,706
Brazil .....		2,722,726
Burma .....		5,834
Chile .....		1,974,552
China .....		15,100
Colombia .....		3,852,492
Congo .....		2,337
Costa Rica .....		821,134
Cuba .....		10,174
Czechoslovakia .....	9,932,696	99,412
Denmark .....		489,267
Dominican Republic .....		1,521,857
Ecuador .....		265,309
Ethiopia .....		21,283
Finland .....		184,464
France .....		2,579,870
French Africa .....		49,284
French Oceania .....		818
French West Indies .....		10,413
German Fed. Rep. ....		4,427,726
Greece .....		990,986
Guatemala .....		1,135,091
Haiti .....		85,349
Honduras .....		328,129
Iceland .....		94,197
Indonesia .....		1,394
Iran .....		819,733
Iraq .....		30,446
Ireland .....		208,848
Israel .....		313,980
Italy .....		3,471,564
Japan .....		122,680
Jordan .....		12,735
Kuwait .....		29,246
Lebanon .....		194,228
Liberia .....		23,170
Libya .....		3,857
Malagasy Rep. ....		92
Mexico .....	2,973,878	6,093,048
Morocco .....		9,842
Netherlands .....		1,888,293
Netherlands Antilles .....		260,155
Nicaragua .....		875,460
Norway .....		414,897
Panama .....		905,926
Paraguay .....		1,060
Peru .....		2,408,808
Philippines .....		188,059
Poland .....	16,334,908	1,232,562

<i>Country Foreign</i>	<i>Amount at the Government's Risk Under Section 21</i>	<i>Amount at the Corporation's Risk</i>
Portugal .....		152,738
Portuguese Africa .....		141,611
Puerto Rico .....		1,061,757
St. Pierre and Miquelon .....		113,373
Salvador .....		413,749
South Africa .....		4,577,264
Spain .....		317,651
Sudan .....		46,097
Surinam .....		153,631
Sweden .....		1,389,029
Switzerland .....		1,003,814
Syria .....		29,401
Taiwan .....		1,042,031
Thailand .....		76,984
Turkey .....		63,652
United States of America .....		5,238,252
U.S. Oceania .....		2,205
Yugoslavia .....	16,736,089	
Uruguay .....		339,057
U.S.S.R. ....		15,170
Venezuela .....		3,669,138
Virgin Islands .....		437
 TOTAL FOREIGN COUNTRIES .....	 \$45,977,571	 \$ 65,937,321
 TOTAL ALL COUNTRIES .....	 \$45,977,571	 \$100,104,197
 GRAND TOTAL ALL COUNTRIES .....	 \$146,081,768	

**POSITION UNDER SECTION 21A OF THE EXPORT CREDITS INSURANCE ACT AS AT DECEMBER 31, 1963**  
**FINANCING AGREEMENTS SIGNED**

Contract No.	Country and Importer (Guarantor)	Exporter Products Financed	Date of Contract	Amount Authorized (Currency of Contract)* Interest Rate	Notes Purchased**	Notes Repaid**	Interest Received	Repayment Terms
	<b>ARGENTINA</b>							
61-2	Empresa Ferrocarriles del Estado Argentino (Government of Argentina)	Montreal Locomotive Works, Ltd.—Locomotives	Nov. 6, 1961	\$12,500,000 6%	\$12,134,257	—	\$147,900	13 s.a. from Oct. 11/64
62-3	The Province of La Pampa (Banco de la Provincia de Buenos Aires)	The Dominion Road Machinery Co. Ltd. Road graders	Apr. 11, 1962	\$975,000 6%	\$945,012 (completed)	\$118,107	\$65,468	16 s.a. from Apr. 15/63
63-5	Direccion Provincial De Vialidad De Santa Fe (Banco Provincial de Santa Fe)	The Dominion Road Machinery Co. Ltd. Road graders	Mar. 26, 1963	\$1,859,000 6%	\$1,858,567 (completed)	—	\$2,648	24 s.a. from Jan. 15/64
	<b>BRAZIL</b>							
61-4	Companhia Siderurgica Nacional	Montreal Locomotive Works, Ltd. Locomotives	Dec. 20, 1961	\$2,600,000 6%	\$2,557,800 (completed)	—	\$153,468	15 s.a. from Dec. 20/64
61-2	Rede Ferroviaria Federal S.A. (National Treasury of Brazil)	General Motors Diesel Ltd. Locomotives	Apr. 3, 1962	\$6,053,250 (US \$5,600,000) 6%	\$994,227 US \$920,998	—	—	14 s.a. from Dec. 15/65
63-4	Companhia Vale do Rio Doce S.A. (National Treasury of Brazil)	General Motors Diesel Ltd. Locomotives	Mar. 27, 1963	\$2,400,000 6%	—	—	—	10 s.a. from Dec. 1/66
63-6	<b>CEYLON</b> Government of Ceylon.....	Canadian General Electric Co. Ltd. & Ingledow Kidd & Associates Ltd. Hydro-electric plant	Apr. 26, 1963	\$10,800,000 6%	\$525,000	—	\$5,314	25 s.a. from Feb. 1/66
	<b>CHILE</b>							
61-1	Industrias Forestales S.A.	John Inglis Co. Ltd. & Sandwell and Co. Ltd.	Aug. 8, 1961	\$13,500,000 6%	\$11,593,248	—	—	25 s.a. from Oct. 1/64
63-3	S.A. (Corporation de Fomento de la Produccion)	Pulp and paper mill	Mar. 15, 1963	\$700,000 6%				
63-8	Compania Manufacturera de Papeles y Cartones S.A.	H. A. Simons (International) Ltd. Pulp mill equipment	Aug. 30, 1963	\$3,700,000 6%	\$1,176,879	—	—	25 s.a. from Jul. 23/66



63-10	INDIA The President of India.....	Montreal Engineering Co. Ltd.—Hydro equipment	Dec. 4, 1963	\$8,000,000 6%	—	—	31 s.a. from Aug. 1/68
63-11	The President of India.....	Aluminum Co. of Canada Ltd.—Foil & smelter mill equipment	Dec. 4, 1963	\$1,000,000 6%	—	—	25 s.a. from May 31/66
63-12	The President of India.....	Montreal Locomotive Works, Ltd.—Locomotives	Dec. 4, 1963	\$7,700,000 6%	—	—	25 s.a. from Sept 1/66
63-9	ISRAEL The State of Israel (Ministry of Posts)	Automatic Electric (Canada) Limited Telecommunications equipment	Oct. 4, 1963	\$2,300,000 6%	\$376,440	—	21 s.a. from Sept. 15/65
62-1	LIBERIA Republic of Liberia.....	RCA Victor Co. Ltd. Telecommunications network	Feb. 1, 1962	\$1,621,406 (US \$1,500,000) 6%	\$280,907 US \$260,250	—	27 s.a. from Feb. 1/65
61-3	MEXICO Ferrocarriles Nacionales de Mexico (Nacional Financiera S.A.)	Dominion Steel and Coal Corp., Ltd. Rails	Nov. 27, 1961	\$13,511,719 (US \$12,500,000) 6%	\$12,951,079 (\$18,019) <sup>a</sup> US \$11,981,339 (US \$137,576) <sup>b</sup> (completed)	\$2,407,257 (\$150,038) <sup>a</sup> US \$2,232,140 (US \$139,337) <sup>b</sup>	28 quarterly from Sept. 1/62
63-2	Ferrocarriles Nacionales de Mexico (Nacional Financiera S.A.)	Dominion Steel and Coal Corp., Ltd. Rails	Jan. 30, 1963	\$27,023,437 (US \$25,000,000) 6%	\$9,063,439 (—\$215,057) <sup>a</sup> US \$8,384,790 (—US \$185,013) <sup>b</sup>	—	13 s.a. from Feb. 1/65
63-1	Ferrocarriles Nacionales de Mexico (Nacional Financiera S.A.)	Montreal Locomotive Works, Ltd. Locomotives	Jan. 23, 1963	\$16,322,156 (US \$15,100,000) 6%	\$7,206,648 US \$6,676,445	—	18 s.a. from Apr. 30/65
62-4	PAKISTAN East Pakistan Industrial Development Corporation (Government of Pakistan)	Canadian General Electric Co. Ltd. & Sandwell Consultants Ltd.—Paper mill equipment	Nov. 23, 1962	\$6,351,000 6%	\$5,111,000	—	25 s.a. from Sept. 1/65
63-7	East Pakistan Water and Power Development Authority (Government of Pakistan)	Pelletier Engineering (International) Ltd.—Power generation equipment	Jun. 12, 1963	\$6,000,000 6%	\$184,077	—	32 s.a. from Feb. 1/67
		TOTAL=		\$146,916,968	\$66,958,580 (—\$197,038) <sup>a</sup>	\$2,525,364 (150,038) <sup>a</sup>	\$1,442,389

\* US Dollars converted at 1.0809375, noon rate for December 31, 1963.

\*\* US Dollars converted at noon rate for date of transaction.

<sup>a</sup> Interest accrued or discounted (—) as at date of purchase, and foreign exchange adjustment.

<sup>b</sup> Interest accrued or discounted (—).













SEP 28 1982



